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Huali University Group Limited
华立大学集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1756)

DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHT IN JIANGMEN CITY,
THE PRC

LAND ACQUISITION

The Company is pleased to announce that on February 3, 2021, Huali College, a consolidated affiliated entity of the Company, entered into the Confirmation Letter with Jiangmen Public Resources Centre and its Xinhui branch, pursuant to which Jiangmen Public Resources Centre and its Xinhui branch have confirmed, and Huali College has acknowledged, that Huali College has won the bid for the land use right of the Land at a total consideration of RMB159,690,000. As a result of winning the bid, Huali College entered into the State-owned Land Use Right Grant Contract with Jiangmen Resources Bureau on February 3, 2021.

The Land will be used for the construction of a new school campus in Jiangmen City, the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Land Acquisition on a standalone basis and on an aggregate basis with the Previous Land Acquisition exceed 5% but are all less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

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Details of the Confirmation Letter are set out as follows:

Date: February 3, 2021

Parties: (i) Huali College;

(ii) Jiangmen Public Resources Centre, being a local government authority under the Jiangmen Municipal People's Government of the PRC; and

(iii) Xinhui branch of Jiangmen Public Resources Centre, being a local government authority under the Jiangmen Municipal People's Government of the PRC

Subject matter: Jiangmen Public Resources Centre and its Xinhui branch have confirmed, and Huali College has acknowledged, that Huali College has won the bid for the land use right of the Land at a total consideration of RMB159,690,000.

Huali College has won the bid for the land use right of the Land at a total consideration of RMB159,690,000. Huali College has remitted an amount of RMB31,940,000 to Jiangmen Resources Bureau as deposit for the auction. The deposit will form part of the consideration. The payment of the balance of the consideration shall be made within 30 days after the date of the State-owned Land Use Right Grant Contract. The Directors believe that the consideration for the Land is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Land is located at Weikensanlongwei, Yamen Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區崖門鎮圍墾三龍圍). The Land is of a total site area of 298,456 sq.m.. The Land is for educational purpose and the term of the land use right of the Land is 50 years. The Land will be used for the construction of a new school campus in Jiangmen City, the PRC.

The consideration for the Land Acquisition is the price of the final bid of the Land made by Huali College, i.e. RMB159,690,000, and is expected to be funded with the internal resources and/or other financing of the Group. In submitting the bid in respect of the Land, Huali College has taken into account the minimum bid price, the current market conditions, the location of the Land and the land price in the surrounding area.

INFORMATION OF THE GROUP AND THE PARTIES

The Group is a large-scale private higher education and vocational education group in South China, offering applied science-focused and practice-oriented programs.

Huali College is a private independent college established under the laws of the PRC and a consolidated affiliated entity of the Company.

Jiangmen Public Resources Centre and its Xinhui branch are local government authorities under the Jiangmen Municipal People's Government of the PRC and are responsible for, among others, managing the trading operations of public resources. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jiangmen Public Resources Centre, its Xinhui branch and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Jiangmen Resources Bureau is a local government entity under the Jiangmen Municipal People's Government of the PRC and is responsible for, among others, the granting of land use right in Jiangmen City, Guangdong Province, the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jiangmen Resources Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Land is intended to be used for the construction of a new school campus with a view to expanding the capacity of the Group's existing school campuses. The Land Acquisition and the establishment of a new school campus on the Land is consistent with the Group's development strategies.

Having taken into account the above factors, the Directors believe that the Land Acquisition is beneficial to the Company and the Shareholders as a whole, and the Land is considered suitable to support the business development of the Group. The Directors also consider that the terms of the Land Acquisition are on normal commercial terms, and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As (i) the Previous Confirmation Letter and the Confirmation Letter were entered into within 12 months and by the same parties; (ii) the Previous State-owned Land Use Right Grant Contract and the State-owned Land Use Right Grant Contract were entered into within 12 months and by the same parties; and (iii) the nature, structure and terms of the Previous Land Acquisition are similar to those of the Land Acquisition, the Previous Land Acquisition and the Land Acquisition shall be aggregated as a series of transactions and will be calculated on an aggregate basis pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios for the Land Acquisition on a standalone basis and on an aggregate basis with the Previous Land Acquisition exceed 5% but are all less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Huali University Group Limited (华立大学集团有限公司), 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
“Confirmation Letter”	the transaction confirmation letter* (成交確認書) entered into by Huali College, Jiangmen Public Resources Centre and its Xinhui branch on February 3, 2021 as a result of the successful bidding by Huali College for the land use right of the Land
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huali College”	Huali College Guangdong University of Technology* (廣東工業大學華立學院), a private independent college established under the laws of the PRC and a consolidated affiliated entity of the Company
“Jiangmen Public Resources Centre”	Jiangmen Public Resources Trading Centre* (江門市公共資源交易中心), a local government authority under the Jiangmen Municipal People’s Government of the PRC
“Jiangmen Resources Bureau”	Jiangmen Bureau of Natural Resources* (江門市自然資源局), a local government body under the Jiangmen Municipal People’s Government of the PRC
“Land”	a piece of land located at Weikensanlongwei, Yamen Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區崖門鎮圍墾三龍圍) and is of a total site area of 298,456 sq.m.
“Land Acquisition”	the acquisition of the land use right of the Land through a public bidding process at the auction
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Confirmation Letter”	the transaction confirmation letter* (成交確認書) entered into by Huali College, Jiangmen Public Resources Centre and its Xinhui branch on August 19, 2020, the details of which are set out in the Company’s announcement dated August 19, 2020
“Previous Land Acquisition”	the acquisition of certain land use right in Weikensanlongwei, Yamen Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區崖門鎮圍墾三龍圍) through a public bidding process at an auction, the details of which are set out in the Company’s announcement dated August 19, 2020
“Previous State-owned Land Use Right Grant Contract”	the State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) entered into by Huali College and Jiangmen Resources Bureau pursuant to the Previous Confirmation Letter
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the ordinary share(s) of US\$0.0001 each of the Company
“sq.m.”	square metre(s)
“State-owned Land Use Right Grant Contract”	the State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) entered into by Huali College and Jiangmen Resources Bureau pursuant to the Confirmation Letter on February 3, 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Huali University Group Limited
Zhang Zhifeng
Chairman

Hong Kong, February 3, 2021

As at the date of this announcement, the executive Directors are Mr. Zhang Zhifeng, Mr. Ye Yaming and Mr. Ma Zhixiong; the non-executive Director is Mr. Zhang Yude; and the independent non-executive Directors are Ms. Chiu Lai Kuen Susanna, M.H., J.P., Mr. Yang Ying and Mr. Ding Yi.

* English translation of names in Chinese which is marked with “*” in this announcement is for identification purposes only