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China Ginkgo Education Group Company Limited

中國銀杏教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1851)

MAJOR TRANSACTION LAND USE RIGHTS GRANT CONTRACT

LAND USE RIGHTS GRANT CONTRACT

The Board is pleased to announce that on March 14, 2019, Ginkgo Asset Management, a consolidated affiliated entity of the Company, and Sichuan Province Yibin City Natural Resources and Planning Bureau entered into the Land Use Rights Grant Contract in respect of the grant of the Land for education and research usage to Ginkgo Asset Management following successful Bidding at a consideration of RMB155,012,400.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Land Use Rights Grant Contract exceeds 25% but is less than 100%, the transaction contemplated thereunder constitutes a major transaction of the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since (i) no Shareholders is required to abstain from voting on the resolution at an EGM if it were convened to approve the Land Use Rights Grant Contract and the transaction contemplated thereunder; and (ii) in lieu of holding an EGM, the Company, on March 14, 2019, has obtained the Written Shareholder's Approval in respect of the Land Use Rights Grant Contract and the transaction contemplated thereunder from Vast Universe Company Limited which holds 366,562,500 Shares, representing approximately 73.31% of the issued share capital of the Company as of the date of the Written Shareholder's Approval, no EGM is required to be convened for the approval of the Land Use Rights Grant Contract and the transaction contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) details of the Land Use Rights Grant Contract and the transaction contemplated thereunder; and (ii) other information required to be included in the Circular pursuant to the Listing Rules, is expected to be despatched to the Shareholders for their information on or before April 4, 2019 in accordance with the Listing Rules.

BACKGROUND

The Board is pleased to announce that on March 14, 2019, Gingko Asset Management, a consolidated affiliated entity of the Company, entered into the Land Use Rights Grant Contract with Sichuan Province Yibin City Natural Resources and Planning Bureau in respect of the grant of the Land for education and research usage to Gingko Asset Management following successful Bidding at a consideration of RMB155,012,400.

LAND USE RIGHTS GRANT CONTRACT

The principal terms of the Land Use Rights Grant Contract are set out as follows:

Date: March 14, 2019

Parties:

- (i) Gingko Asset Management, a consolidated affiliated entity of the Company
- (ii) Sichuan Province Yibin City Natural Resources and Planning Bureau

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Sichuan Province Yibin City Natural Resources and Planning Bureau and its ultimate beneficial owner(s) are Independent Third Parties

Code of the Land:	XC-A-08-03
Location of the Land:	East of Feng Huang Da Dao, Nanxi District, Yibin City, Sichuan Province (四川省宜賓市南溪區鳳凰大道東側)
Total site area of the Land:	approximately 333,360 sq. m.
Planned gross floor area of the Land:	Not more than 500,040 sq. m. (excluding underground floor area)
Permitted use of the Land:	Education and research usage
Term of the land use rights of the Land:	50 years
Consideration:	RMB155,012,400, which was the bidding price for the Land submitted by Gingko Asset Management at the Bidding
Deposit:	<p>A refundable deposit of RMB50,000,000 (the “Deposit”) has been paid by Gingko Asset Management (including RMB30,000,000 which has been paid by Yibin City Nanxi District Caiyuan State-Owned Assets Management Co., Ltd.* (宜賓市南溪區財源國有資產經營有限責任公司) (“Caiyuan State-Owned Assets Management”), an Independent Third Party, on behalf of Gingko Asset Management) for the Bidding.</p> <p>The Deposit will form part of the payment for the Consideration under the Land Use Rights Grant Contract.</p>
Terms of payment:	<p>The Consideration shall be paid in the following manner:</p> <ul style="list-style-type: none"> (i) 50% of the Consideration, equivalent to RMB77,506,200, after deducting from the amount of the Deposit, shall be paid by Gingko Asset Management within 30 days after the date of the Land Use Rights Grant Contract; and (ii) the balance of the Consideration shall be paid by Gingko Asset Management before March 1, 2020.

As the Consideration was determined by way of the Bidding, the Directors consider that the Consideration is fair and reasonable. The Consideration will be funded by the Group's internal resources and/or external financing.

The Company will indirectly hold the entire interest in the Land through Gingko Asset Management.

INFORMATION OF THE PARTIES INVOLVED

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is a higher education service provider in Sichuan Province, the PRC.

Gingko Asset Management is a consolidated affiliated entity of the Company and is principally engaged in asset management in the PRC.

Sichuan Province Yibin City Natural Resources and Planning Bureau is a PRC government authority and the grantor of land use rights of the Land.

Caiyuan State-Owned Assets Management is a PRC state-owned enterprise and is principally engaged in asset management, investment, land development, municipal infrastructure construction and other related services.

THE PROPOSED DEVELOPMENT AND REASONS FOR AND BENEFITS OF ENTERING INTO THE LAND USE RIGHTS GRANT CONTRACT

As disclosed in the prospectus (the "**Prospectus**") of the Company dated December 21, 2018, in order to further (i) increase the school capacity of the Group, (ii) diversify the student origins by attracting more students from neighbouring provinces, such as Yunnan Province and Guizhou Province to enhance the Group's reputation and increase the Group's popularity among a wider market, and (iii) improve the quality of the Group's education services by establishing more workplace simulation training platforms, the Group seeks to expand its capacity by establishing a new campus in Nanxi District. For this purpose, the Group entered into an agreement with the People's Government of Nanxi District, Yibin City on May 18, 2018, pursuant to which the Group shall invest RMB600 million to establish a new campus that could accommodate up to 10,000 students with an estimated site area of 420,000 sq. m. within three years from obtaining the first construction commencement permit.

The Directors are of the view that the acquisition of the land use rights of the Land pursuant to the Land Use Rights Grant Contract is an important step in the implementation of the Group's new campus plan as disclosed in the Prospectus, and the Land provides a suitable location for the Group to establish its new campus.

The Directors consider that the terms of the Land Use Rights Grant Contract are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Land Use Rights Grant Contract exceeds 25% but is less than 100%, the transaction contemplated thereunder constitutes a major transaction of the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since (i) no Shareholders is required to abstain from voting on the resolution at an EGM if it were convened to approve the Land Use Rights Grant Contract and the transaction contemplated thereunder; and (ii) in lieu of holding an EGM, the Company, on March 14, 2019, has obtained the Written Shareholder's Approval in respect of the Land Use Rights Grant Contract and the transaction contemplated thereunder from Vast Universe Company Limited which holds 366,562,500 Shares, representing approximately 73.31% of the issued share capital of the Company as of the date of the Written Shareholder's Approval, no EGM is required to be convened for the approval of the Land Use Rights Grant Contract and the transaction contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) details of the Land Use Rights Grant Contract and the transaction contemplated thereunder; and (ii) other information required to be included in the Circular pursuant to the Listing Rules, is expected to be despatched to the Shareholders for their information on or before April 4, 2019 in accordance with the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Bidding”	a listing-for-sale held by 宜賓市南溪區公共資源交易服務中心 (Yibin City Nanxi District Public Resources Transaction Service Center*) and 宜賓市國土資源局南溪區分局 (Yibin City Land and Resources Bureau Nanxi District Branch Office*) in accordance with laws and regulations under the PRC as open tender for sale of land use rights of the Land

“Company”	China Gingko Education Group Company Limited (中國銀杏教育集團有限公司), a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1851)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	a total sum of RMB155,012,400, being the price for the grant of the land use rights of the Land pursuant to the terms and conditions of the Land Use Rights Grant Contract
“Director(s)”	the director(s) of the Company
“EGM”	extraordinary general meeting of the Company
“Gingko Asset Management”	成都銀杏資產管理有限公司(Chengdu Gingko Asset Management Co., Limited*), a company established under the laws of the PRC with limited liability and a consolidated affiliated entity of the Company
“Group”	the Company and its subsidiaries (including the consolidated affiliated entities)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is(are) independent of the Group and the connected persons of the Group
“Land”	a piece of land located in the east of Feng Huang Da Dao, Nanxi District, Yibin City, Sichuan Province (四川省宜賓市南溪區鳳凰大道東側) with a total site area of approximately 333,360 sq. m.
“Land Use Rights Grant Contract”	國有建設用地使用權出讓合同 (the state-owned construction land use rights contract*) in respect of the Land entered into between Gingko Asset Management and Sichuan Province Yibin City Natural Resources and Planning Bureau

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Sichuan Province Yibin City Natural Resources and Planning Bureau”	四川省宜賓市自然資源和規劃局 (Sichuan Province Yibin City Natural Resources and Planning Bureau*), a PRC government authority and the grantor of the land use rights of the Land
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Written Shareholder’s Approval”	the written approval dated March 14, 2019 given by Vast Universe Company Limited, the controlling shareholder of the Company, in respect of the Land Use Rights Grant Contract and the transaction contemplated thereunder
“%”	per cent

By order of the Board
China Gingko Education Group Company Limited
Fang Gongyu
Chairman

Hong Kong, March 14, 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Fang Gongyu, Mr. Tian Tao, Ms. Yu Yuan and Ms. Liu Dan, and three independent non-executive Directors, namely Mr. Jiang Qian, Mr. Chong Man Hung Jeffrey and Mr. Yuan Jun.

* *The English translation is provided for identification purpose only*