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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)

ADOPTION OF DIVIDEND POLICY

This announcement is made by Huali University Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Board has approved and adopted a dividend policy (the “**Dividend Policy**”) on 23 December 2019. According to the Dividend Policy, (i) no less than 30% of the distributable net profit attributable to the shareholders of the Company (the “**Shareholders**”) may be distributed to the Shareholders and (ii) dividends may be distributed twice a year after the announcement of the interim results and the full year results, respectively.

According to the Dividend Policy, when proposing any dividend, the Board shall take into account, *inter alia*, general business conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; the Group’s actual and expected financial performance; the Group’s expected capital requirements and future expansion plans; statutory and regulatory restrictions; contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company; taxation considerations; Shareholders’ interests; and other factors that the Board deems relevant.

Such declaration and payment of dividends shall be determined at the sole and absolute discretion of the Board and subject to the articles of association of the Company. Even if the Board decides to recommend and declare dividends, the form, frequency and amount of the dividends will be subject to the factors as disclosed above and such other factors affecting the Group.

The Dividend Policy will continue to be reviewed from time to time and there is no assurance that dividends will be recommended or declared in any particular amount for any given period.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 23 December 2019

As at the date of this announcement, the executive Directors are Mr. ZHANG Zhifeng, Mr. YE Yaming and Mr. DONG Xiaolin; the non-executive Director is Mr. ZHANG Yude; and the independent non-executive Directors are Mr. CHOW Kwong Fai Edward, J.P., Mr. YANG Ying and Mr. DING Yi.