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China New Higher Education Group Limited
中國新高教集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2001)

DISCLOSEABLE TRANSACTION
CONNECTED TRANSACTION
FURTHER ACQUISITION OF EQUITY INTEREST OF
THE SCHOOL SPONSOR OF THE GUANGXI SCHOOLS

FURTHER ACQUISITION OF 10% EQUITY INTEREST OF SONGMING XINJU

Guangxi Equity Transfer Agreement

Reference is made to the announcement of the Company dated 14 September 2018 in relation to the acquisition of 51% equity interest of Songming Xinju, the sole shareholder of the Guangxi School Sponsor, by Beijing Daai Consulting, an indirect wholly-owned subsidiary of Yun Ai Group which is a consolidated affiliated entity of the Company. On 21 November 2018, Beijing Daai Consulting transferred 51% equity interest of Songming Xinju to Daai Education, an indirect wholly-owned subsidiary of Yun Ai Group, due to the Group's internal business restructuring. Upon completion of the First Acquisition on 11 January 2019, Songming Xinju became owned as to 51% by Daai Education, 39% by Greenwoods Jia Xin Rui Xuan and 10% by Mr. Li Jianchun.

On the same date, the Guangxi Schools and Huihuang Company, among others, entered into the Guangxi Schools Structured Contracts which enabled the Company to exercise control over the Guangxi Schools and the Guangxi School Sponsor, and their results of operations are therefore consolidated into the Group's results of operations. The material terms of the Guangxi Schools Structured Contracts are summarised in the announcement of the Company dated 11 January 2019. The Guangxi Schools Structured Contracts had been terminated at the same time as the Guangxi Schools and Huihuang Company, among others, entered into the New Structured Contracts as disclosed in the announcement of the Company dated 26 August 2019.

On 29 July 2020, Daai Education entered into an equity transfer agreement pursuant to which Daai Education agreed to further acquire 39% equity interest of Songming Xinju from Greenwoods Jia Xin Rui Xuan for a consideration of RMB152,000,000. Upon completion of the Second Acquisition on 29 July 2020, Songming Xinju became owned as to 90% by Daai Education and as to 10% by Mr. Li Jianchun. Details of the Second Acquisition are disclosed in the announcement of the Company dated 29 July 2020. On 7 December 2020, Mr. Li Jianchun transferred his 10% equity interest of Songming Xinju to Ms. Fu Zhen. On 27 April 2021, Ms. Fu Zhen transferred her 10% equity interest of Songming Xinju to Huzhou Shenhong. As the Group was not involved in any of such equity transfers between Mr. Li Jianchun and Ms. Fu Zhen and/or between Ms. Fu Zhen and Huzhou Shenhong, to the best knowledge of the Directors after reasonable enquiry, the Directors confirmed that the Company did not have any information relating to the original acquisition cost of Ms. Fu Zhen and/or Huzhou Shenhong for the 10% equity interest of Songming Xinju in the aforesaid equity transfers.

The Board is pleased to announce that on 25 May 2021, Daai Education entered into the Guangxi Equity Transfer Agreement pursuant to which Daai Education agreed to further acquire 10% equity interest of Songming Xinju from Huzhou Shenhong for a consideration of RMB64,000,000. Upon completion of the Further Acquisition of Guangxi Schools, Songming Xinju will become 100% owned by Daai Education.

Seventh Supplemental Agreement

Immediately upon completion of the Further Acquisition of Guangxi Schools, Daai Education, Songming Xinju, the Guangxi School Sponsor, and the Guangxi Schools will enter into the Seventh Supplemental Agreement with Huihuang Company, Yun Ai Group, and the registered shareholders of Yun Ai Group, to reflect the change of equity interest of Songming Xinju.

LISTING RULES IMPLICATIONS

Guangxi Equity Transfer Agreement

As one or more of the applicable percentage ratio(s) in relation to the transactions contemplated under the Guangxi Equity Transfer Agreement, aggregated with the Second Acquisition, are more than 5% but less than 25%, the transactions contemplated under the Guangxi Equity Transfer Agreement constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Huzhou Shenhong held 10% equity interest of Songming Xinju, a non wholly-owned subsidiary of Yun Ai Group which is a consolidated affiliated entity of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Guangxi Equity Transfer Agreement also constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Since (1) Huzhou Shenhong is a connected person at the subsidiary level and (2) the Board has approved the Guangxi Equity Transfer Agreement and all independent non-executive Directors have confirmed that the terms of the Guangxi Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Guangxi Equity Transfer Agreement are exempt from the circular, independent financial advice, and shareholders' approval requirements according to Rule 14A.101 of the Listing Rules.

Seventh Supplemental Agreement

As explained and disclosed in the announcement of the Company dated 26 August 2019, the New Structured Contracts, as a whole, constitute continuing connected transactions of the Company under the Listing Rules. Thus, the Seventh Supplemental Agreement constitutes a material change to the terms of the New Structured Contracts.

After consultation with the Company's PRC Legal Advisors, the Directors (including the independent non-executive Directors) are of the view that the Seventh Supplemental Agreement will be entered into only to reflect the shareholding changes of Songming Xinju, which will not affect the terms and conditions of the New Structured Contracts, and therefore the entering into of the Seventh Supplemental Agreement is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Further Acquisition of Guangxi Schools is subject to regulatory approvals from the relevant authorities in the PRC, which may or may not be obtained, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

FURTHER ACQUISITION OF 10% EQUITY INTEREST OF SONGMING XINJU

Guangxi Equity Transfer Agreement

Reference is made to the announcement of the Company dated 14 September 2018 in relation to the acquisition of 51% equity interest of Songming Xinju, the sole shareholder of the Guangxi School Sponsor, by Beijing Daai Consulting, an indirect wholly-owned subsidiary of Yun Ai Group which is a consolidated affiliated entity of the Company. On 21 November 2018, Beijing Daai Consulting transferred 51% equity interest of Songming Xinju to Daai Education, an indirect wholly-owned subsidiary of Yun Ai Group, due to the Group's internal business restructuring. Upon completion of the First Acquisition on 11 January 2019, Songming Xinju became owned as to 51% by Daai Education, 39% by Greenwoods Jia Xin Rui Xuan and 10% by Mr. Li Jianchun.

On the same date, the Guangxi Schools and Huihuang Company, among others, entered into the Guangxi Schools Structured Contracts which enabled the Company to exercise control over the Guangxi Schools and the Guangxi School Sponsor, and their results of operations are therefore consolidated into the Group's results of operations. The material terms of the Guangxi Schools Structured Contracts are summarised in the announcement of the Company dated 11 January 2019. The Guangxi Schools Structured Contracts had been terminated at the same time as the Guangxi Schools and Huihuang Company, among others, entered into the New Structured Contracts as disclosed in the announcement of the Company dated 26 August 2019.

On 29 July 2020, Daai Education entered into an equity transfer agreement pursuant to which Daai Education agreed to further acquire 39% equity interest of Songming Xinju from Greenwoods Jia Xin Rui Xuan for a consideration of RMB152,000,000. Upon completion of the Second Acquisition on 29 July 2020, Songming Xinju became owned as to 90% by Daai Education and as to 10% by Mr. Li Jianchun. Details of the Second Acquisition are disclosed in the announcement of the Company dated 29 July 2020. On 7 December 2020, Mr. Li Jianchun transferred his 10% equity interest of Songming Xinju to Ms. Fu Zhen. On 27 April 2021, Ms. Fu Zhen transferred her 10% equity interest of Songming Xinju to Huzhou Shenhong. As the Group was not involved in any of such equity transfers between Mr. Li Jianchun and Ms. Fu Zhen and/or between Ms. Fu Zhen and Huzhou Shenhong, to the best knowledge of the Directors after reasonable enquiry, the Directors confirmed that the Company did not have any information relating to the original acquisition cost of Ms. Fu Zhen and/or Huzhou Shenhong for the 10% equity interest of Songming Xinju in the aforesaid equity transfers.

The Board is pleased to announce that on 25 May 2021, Daai Education entered into the Guangxi Equity Transfer Agreement pursuant to which Daai Education agreed to further acquire 10% equity interest of Songming Xinju from Huzhou Shenhong for a consideration of RMB64,000,000. Upon completion of the Further Acquisition of Guangxi Schools, Songming Xinju will become 100% owned by Daai Education.

The principal terms of the Guangxi Equity Transfer Agreement are set forth as below.

Date: 25 May 2021

Parties:

- (1) Huzhou Shenhong as the transferor;
- (2) Daai Education as the transferee; and
- (3) Songming Xinju

Subject Matter: Subject to the terms and conditions of the Guangxi Equity Transfer Agreement, Huzhou Shenhong agreed to transfer 10% of the equity interest of Songming Xinju to Daai Education for a consideration of RMB64,000,000 (the "**Consideration**").

Condition Precedent:

The payment obligation of the Consideration by Daai Education to Huzhou Shenhong is conditional upon the satisfaction (or waiver by Daai Education in writing) of, among others, each of the following conditions:

- (a) the due execution of the Guangxi Equity Transfer Agreement by the parties thereto;
- (b) Songming Xinju shall have obtained all requisite resolutions in respect of, including but not limited to, the Guangxi Equity Transfer Agreement, the transactions contemplated thereto, the amendment to its articles of association upon completion of the Further Acquisition of Guangxi Schools;
- (c) the representations and warranties of Huzhou Shenhong under the Guangxi Equity Transfer Agreement shall have remained valid prior to the satisfaction of the conditions precedents under the Guangxi Equity Transfer Agreement and there has been no violation by Huzhou Shenhong of any of such representations and warranties; and
- (d) Songming Xinju and its existing shareholders shall assist to complete the relevant AIC change of registration procedures within five days upon the execution of the Guangxi Equity Transfer Agreement, and if there is any inconsistency among the documents submitted for obtaining government approvals, making registration or filing with government authorities, the Guangxi Equity Transfer Agreement executed by the parties shall prevail.

**Basis of the
Consideration:**

The Consideration was determined through arm's length negotiation on normal commercial terms between Huzhou Shenhong and Daai Education with reference to the net assets value of the Guangxi Schools as at 31 December 2020, location of the Guangxi Schools, type of the Guangxi Schools, number of students, branding of the Guangxi Schools, the current market value of schools with similar operation size and the values to be generated by the Group through running and managing the Guangxi Schools.

Payment Terms: Daai Education shall settle the payment of the Consideration by bank transfer to the bank account designated by Huzhou Shenhong within 30 business days upon the satisfaction or waiver by Daai Education in writing of the conditions precedent under the Guangxi Equity Transfer Agreement.

Source of Funding: The Further Acquisition of Guangxi Schools will be funded by the Group's internal financial resources and loan(s) with third party banks.

Upon completion of the Further Acquisition of Guangxi Schools, Songming Xinju, the sole shareholder of the Guangxi School Sponsor, will become 100% owned by Daai Education.

Seventh Supplemental Agreement

Immediately upon completion of the Further Acquisition of Guangxi Schools, Daai Education, Songming Xinju, the Guangxi School Sponsor, and the Guangxi Schools will enter into the Seventh Supplemental Agreement with Huihuang Company, Yun Ai Group, and the registered shareholders of Yun Ai Group, to reflect the change of equity interest of Songming Xinju.

The principal terms of the Seventh Supplemental Agreement are set out below:

- (1) since the completion date of the acquisition, the rights and obligations of Songming Xinju, the Guangxi School Sponsor, and the Guangxi Schools under the New Structured Contracts (including all its supplemental agreements as at the same date) shall be adjusted in proportion to their interest held by the Group as at the same date;
- (2) where applicable, in case the validity of any of the New Structured Contracts is affected or impaired by the newly adjusted rights and obligations, each party to the agreement agreed that the New Structured Contracts shall remain effective, and undertake to procure the other signatories to the New Structured Contracts to cooperate with the signing of relevant agreements and related matters, so as to ensure that the New Structured Contracts continue to take effect; and
- (3) the Seventh Supplemental Agreement shall not be changed, altered, supplemented or amended except as otherwise executed by parties in written agreement. No party shall assign its rights or obligations under the Seventh Supplemental Agreement without the prior written consent of all the other parties thereof.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE GUANGXI EQUITY TRANSFER AGREEMENT AND THE SEVENTH SUPPLEMENTAL AGREEMENT

Guangxi Equity Transfer Agreement

The Directors believe that the Further Acquisition of Guangxi Schools will bring the Group with long-term benefits for the following reasons:

Firstly, the Further Acquisition of Guangxi Schools is consistent with the Group's strategy to persistently enhance its penetration in regional markets with high growth rate. Guangxi Zhuang Autonomous Region currently has relatively low gross student enrollment rate of higher education compared with that of other provinces in the PRC, and is the eighth largest province in terms of student source. The Beibu Gulf Economic Zone, in which the Guangxi Schools are located, is a strategic development zone in Guangxi Zhuang Autonomous Region under the "One Belt and One Road" ("一帶一路") initiative which possesses the regional advantage of covering the countries within the Association of Southeast Asian Nations and is the fastest growing region in Guangxi Zhuang Autonomous Region. Meanwhile, only a few universities are located in this region where the higher education services supply falls short of demand, bringing growth potential for the Guangxi Schools. Also, the GDP growth rates of Guangxi Zhuang Autonomous Region were above the national average levels in recent years, providing higher potential for future increase in tuition fee.

Secondly, the Guangxi Schools provide more than 30 majors covering preschool education, nursing, e-commerce, computer network technology, etc. The Guangxi Schools have extensive school-enterprise cooperation with various renowned and high-quality enterprises across the nation, and the level of education and teaching has been steadily improved. In 2020, the Guangxi Schools ranked first in Guangxi in terms of employment rate, and were awarded the honorary title of the outstanding unit of employment and entrepreneurship for graduates of colleges and universities in Guangxi.

Thirdly, the Further Acquisition of Guangxi Schools will enable the Group to give full play to its strength in centralized school operation and to achieve the Group's high-quality development goals. After the First Acquisition and the Second Acquisition, the operational capability and profitability of such schools have been significantly improved. In the future, the Group will continue to leverage the advantages of centralized replication capabilities, fully release the potential of Guangxi Schools and enhance their quality and profitability.

Lastly, the valuation of the Further Acquisition of Guangxi Schools is reasonable, and the PE ratio of this acquisition is lower than that of the First Acquisition and the Second Acquisition.

In this regard, the Directors are of the view that Further Acquisition of Guangxi Schools will enable the Group to give full play to its capability in collectivized school operation where the operational capability and profitability of the Guangxi Schools will be further enhanced, contributing to the achievement of the Group's long-term business development goals.

Seventh Supplemental Agreement

The Seventh Supplemental Agreement, as a supplemental agreement to the New Structured Contracts, will be entered into mainly (i) to reflect the Group's further acquisition of interest in the Guangxi Schools where, upon completion of the Further Acquisition of Guangxi Schools, the rights and obligations of the relevant parties shall be subject to the terms and conditions of the New Structured Contracts which will enable the Company to extend further control over the relevant schools in proportion to the interest held by the Group in such schools; and (ii) to provide an efficient and cost-saving solution to facilitate the execution of the New Structured Contracts so that validity of the New Structured Contracts will not be affected or impaired by the Group's acquisition of further interest in the Guangxi Schools.

The Directors (including the independent non-executive Directors) consider that each of the Guangxi Equity Transfer Agreement and the Seventh Supplemental Agreement has been entered into on normal commercial terms, and the terms of the transactions thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GUANGXI TARGET GROUP

Songming Xinju is a company established under the laws of the PRC with limited liability on 27 October 2016 and is an investment holding company. As at the date of this announcement, Songming Xinju was held as to 90% by Daai Education and as to 10% by Huzhou Shenhong.

The Guangxi School Sponsor is a company established under the laws of the PRC with limited liability on 25 August 2017 and is an investment holding company. As at the date of this announcement, the Guangxi School Sponsor was a wholly-owned subsidiary of Songming Xinju.

The Guangxi Schools include the following three schools.

Guangxi Yinghua International Occupation College* (廣西英華國際職業學院) was established under the laws of the PRC on 20 January 2006 and is principally engaged in higher education. As at the date of this announcement, its registered capital was RMB33 million.

Guangxi Qinzhou Yinghua International Occupation and Technology School* (廣西欽州英華國際職業技術學校) was established under the laws of the PRC on 26 October 2009 and is principally engaged in secondary vocational school education. As at the date of this announcement, its registered capital was RMB5 million.

Guangxi Yinghua International Occupation Middle School* (廣西英華國際職業學院附屬中學) was established under the laws of the PRC on 10 April 2006 and is principally engaged in high school education. As at the date of this announcement, its registered capital was RMB5 million.

Based on the unaudited consolidated financial statements of the Guangxi Target Group prepared in accordance with the China Accounting Standards, the net profit of the Guangxi Target Group for the years ended 31 December 2019 and 31 December 2020 are as follows:

	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)
Unaudited net profit (before tax)	22,402	31,470
Unaudited net profit (after tax)	22,333	28,595
Adjusted net profit (before tax) ^{Note}	28,469	58,453
Adjusted net profit (after tax) ^{Note}	28,401	55,578

Note:

Exclusive of the management consultancy service fee collected by subsidiaries of the Group from the Guangxi Schools pursuant to the exclusive technical service and management consultancy agreement as part of the New Structured Contracts. The Directors are of the view that since the Guangxi Schools became consolidated affiliated entities to the Group upon completion of the First Acquisition, it is fair and reasonable that the net profit from management consultancy service fee paid to subsidiaries of the Group (which is an intra-group expense) was excluded from presentation.

As at 31 December 2020, the unaudited total assets value and the unaudited net assets value of the Guangxi Target Group were approximately RMB934,172,000 and RMB341,805,000, respectively.

The total number of students enrolled for the academic years of 2019/2020 and 2020/2021 are as follows.

	For the academic year of 2019/2020	For the academic year of 2020/2021
Total number of students enrolled	10,273	13,382

Note:

An academic year generally starts from 1 September of each calendar year and ends on 31 August of the following calendar year.

INFORMATION OF THE GROUP AND OTHER PARTIES TO THE GUANGXI EQUITY TRANSFER AGREEMENT

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 8 July 2016. It is an investment holding company and together with its subsidiaries, PRC operating schools and consolidated affiliated entities, principally engages in private formal higher education.

Daai Education is a company established under the laws of the PRC with limited liability on 14 March 2018. It is an investment holding company and a wholly-owned subsidiary of Yun Ai Group, a consolidated affiliated entity of the Company.

Huzhou Shenhong is a limited partnership established under the laws of the PRC on 31 March 2021. It is owned as to 99% by Ms. Fu Zhen and as to 1% by Ms. He Shuye. As at the date of this announcement, Huzhou Shenhong held 10% equity interest of Songming Xinju, a non wholly-owned subsidiary of Yun Ai Group, a consolidated affiliated entity of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules.

LISTING RULES IMPLICATIONS

Guangxi Equity Transfer Agreement

As one or more of the applicable percentage ratio(s) in relation to the transactions contemplated under the Guangxi Equity Transfer Agreement, aggregated with the Second Acquisition, are more than 5% but less than 25%, the transactions contemplated under the Guangxi Equity Transfer Agreement constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Huzhou Shenhong held 10% equity interest of Songming Xinju, a non wholly-owned subsidiary of Yun Ai Group which is a consolidated affiliated entity of the Company, and therefore is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Guangxi Equity Transfer Agreement also constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

Since (1) Huzhou Shenhong is a connected person at the subsidiary level and (2) the Board has approved the Guangxi Equity Transfer Agreement and all independent non-executive Directors have confirmed that the terms of the Guangxi Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Guangxi Equity Transfer Agreement are exempt from the circular, independent financial advice, and shareholders' approval requirements according to Rule 14A.101 of the Listing Rules.

None of the Directors has a material interest in the transactions contemplated under the Guangxi Equity Transfer Agreement or is required to abstain from voting at the Board meeting for considering and approving the same.

Seventh Supplemental Agreement

As explained and disclosed in the announcement of the Company dated 26 August 2019, the New Structured Contracts, as a whole, constitute continuing connected transactions of the Company under the Listing Rules. Thus, the Seventh Supplemental Agreement constitutes a material change to the terms of the New Structured Contracts.

After consultation with the Company's PRC Legal Advisors, the Directors (including the independent non-executive Directors) are of the view that the Seventh Supplemental Agreement will be entered into only to reflect the shareholding changes of Songming Xinju, which will not affect the terms and conditions of the New Structured Contracts, and therefore the entering into of the Seventh Supplemental Agreement is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Li, who owns Songming Dexue, one of the parties to the Seventh Supplemental Agreement, is considered to have a material interest in the Seventh Supplemental Agreement. Mr. Li has abstained from voting on the resolutions in relation to the Seventh Supplemental Agreement proposed to the Board. Save as disclosed above, none of the Directors has a material interest in the Seventh Supplemental Agreement or has abstained from voting on the resolutions.

As the Further Acquisition of Guangxi Schools is subject to regulatory approvals from the relevant authorities in the PRC, which may or may not be obtained, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AIC”	Administration for Industry and Commerce
“Beijing Daai Consulting”	Beijing Daai Education Consulting Co., Ltd.* (北京大愛教育諮詢公司), a limited liability company established in the PRC on 26 July 2017 and a wholly owned subsidiary of Yun Ai Group
“Board”	the board of Directors of the Company
“Company”	China New Higher Education Group Limited (中國新高教集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 July 2016
“Daai Education”	Beijing Daai Shuren Education Consulting Company Limited* (北京大愛樹人教育諮詢有限公司), a limited liability company established in the PRC on 14 March 2018 and a wholly-owned subsidiary of Yun Ai Group

“Directors”	the directors of the Company
“First Acquisition”	the acquisition of 51% equity interest of Songming Xinju, the sole shareholder of the Guangxi School Sponsor, completed on 11 January 2019
“Further Acquisition of Guangxi Schools”	the acquisition of 10% equity interest of Songming Xinju as contemplated under the Guangxi Equity Transfer Agreement
“Greenwoods Jia Xin Rui Xuan”	Jia Xin Rui Xuan Tou Zi He Huo Qi Ye (You Xian He Huo) (嘉興瑞軒投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Group”	the Company, its subsidiaries, PRC operating schools and consolidated affiliated entities from time to time
“Guangxi Equity Transfer Agreement”	the equity transfer agreement dated 25 May 2021 and entered into by and among Huzhou Shenheng, Daai Education and Songming Xinju in relation to the acquisition of 10% equity interest of Songming Xinju by Daai Education from Huzhou Shenheng
“Guangxi Schools”	Collectively, Guangxi Yinghua International Occupation College* (廣西英華國際職業學院), Guangxi Qinzhou Yinghua International Occupation and Technology School* (廣西欽州英華國際職業技術學校) and Guangxi Yinghua International Occupation Middle School* (廣西英華國際職業學院附屬中學)
“Guangxi School Sponsor”	Qinzhou Yinghua Datang Education Investment Co., Ltd.* (欽州英華大唐教育投資有限公司), a limited liability company established under the laws of the PRC on 25 August 2017
“Guangxi Schools Structured Contracts”	a series of contracts entered into between the Guangxi Schools and Huihuang Company on 11 January 2019 upon completion of the First Acquisition which enable the Company to exercise control over the Guangxi Schools and the Guangxi School Sponsor where their results of operations are consolidated into the Group’s results of operations thereafter
“Guangxi Target Group”	Songming Xinju, the Guangxi School Sponsor and the Guangxi Schools

“Huzhou Shenhang”	Huzhou Shenhang Enterprise Management Consulting Partnership (Limited Partnership)* (湖州莘航企業管理諮詢合夥企業(有限合夥)), a limited liability company established on 31 March 2021 under the laws of the PRC
“Huihuang Company”	Tibet Daai Huihuang Information and Technology Co., Ltd.* (西藏大愛輝煌信息科技有限公司), a limited liability company established on 5 August 2016 under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Mr. Li”	Mr. Li Xiaoxuan (李孝軒), the founder, one of the controlling shareholders, chairman of the Board and an executive Director of the Company
“New Structured Contracts”	has the meaning ascribed to it in the announcement of the Company dated 26 August 2019, as amended and supplemented from time to time
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“PRC Legal Advisors”	Commerce & Finance Law Offices, the Company’s legal advisors as to PRC laws
“Second Acquisition”	the acquisition of 39% equity interest of Songming Xinju, the sole shareholder of the Guangxi School Sponsor, completed on 29 July 2020
“Seventh Supplemental Agreement”	the supplemental agreement to the New Structured Contracts dated 25 May 2021 and entered into by and among Daai Education, Songming Xinju, the Guangxi School Sponsor, the Guangxi Schools, Huihuang Company, Yun Ai Group, and the registered shareholders of Yun Ai Group as at the date of the agreement, to reflect the change of equity interest of Songming Xinju

“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Songming Dexue”	Songming Dexue Education Development Co., Ltd.* (嵩明德學教育發展有限公司), a limited liability company established under the laws of the PRC on 17 April 2019 and wholly owned by Mr. Li
“Songming Xinju”	Songming Xinju Enterprise Management Company Limited* (嵩明新巨企業管理有限公司), a limited liability company established under the laws of the PRC on 27 October 2016
“Yun Ai Group”	Yunnan Einsun Education Investment Group Co., Ltd.* (雲南愛因森教育投資集團有限公司), a limited liability company established under the laws of the PRC on 19 September 2005, and owned as to 70.8305% by Songming Dexue, 20.0568% by Kunming Paiduipai Economic Information Consultancy Co., Ltd.* (昆明排對排經濟信息諮詢有限公司), 5.7305% by Kunming Bamupu Technology Co., Ltd.* (昆明巴木浦科技有限公司) and 3.3822% by Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd.* (嵩明中益企業管理諮詢服務有限公司)

By order of the Board of
China New Higher Education Group Limited
Li Xiaoxuan
Chairman

Hong Kong, 25 May 2021

As at the date of this announcement, the executive Directors are Mr. Li Xiaoxuan, Mr. Zhao Shuai and Ms. Shen Chunmei, and the independent non-executive Directors are Mr. Hu Jianbo, Mr. Kwong Wai Sun Wilson, Mr. Chan Tung Hoi and Dr. Pang Tsz Kit Peter.

* *For identification purposes only*