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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)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Board announces that the Company obtained a 5-year term loan facility in the initial principal amount of HK\$500,000,000 with a greenshoe facility amount of up to HK\$1,000,000,000 from a consortium of three banks on 22 February 2018. The Facility Agreement contains provisions which require certain specific performance obligations on the controlling shareholder (as defined in the Listing Rules) of the Company, including requiring the controlling shareholder of the Company to avoid series of events of default as stated below.

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of China New Higher Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that on 22 February 2018, the Company (the “**Borrower**”) entered into a facility agreement (the “**Facility Agreement**”) with a consortium of three banks arranged by China Minsheng Banking Corp., Ltd., Hong Kong Branch (the “**Facility Agent**” and the “**Security Agent**”) as mandated lead arranger and bookrunner, together with EnTie Commercial Bank Co., Ltd. (安泰商業銀行股份有限公司) and Hang Seng Bank Limited as mandated lead arrangers, pursuant to which a 5-year term loan facility (the “**Facility**”) in the initial principal amount of HK\$500,000,000 with a greenshoe facility amount of up to HK\$1,000,000,000 was made available to the Company on the terms and conditions stated therein. The purposes of the Facility are, among others, for the general corporate purposes of the Group. The Facility is initially guaranteed by Aspire Education Information Co., Ltd., Aspire Education Holding Co., Limited, both being wholly-owned subsidiaries of the Group, and Mr. Li Xiaoxuan, the controlling shareholder of the Company (together, the “**Guarantors**”).

It is provided in the Facility Agreement, among other things, that an event of default will occur if any of the following takes place:

- (i) Mr. Li Xiaoxuan does not pay on the due date any amount payable pursuant to the Facility Agreement and personal guarantee (the “**Finance Documents**”);

- (ii) Mr. Li Xiaoxuan does not comply with any provisions in the Finance Documents and if the failure is capable of being remedied, not remedied within ten (10) business days of the earlier of (A) the Facility Agent giving notice to the Borrower of the failure to comply and (B) the Borrower or the Guarantors becoming aware of the failure to comply;
- (iii) any representation, warranty or statement made by Mr. Li Xiaoxuan in Finance Documents is or proves to have been incorrect or misleading in any material respect, unless those circumstances are capable of remedy and are remedied with ten (10) business days of the earlier of the Facility Agent giving notice of the misrepresentation, breach of warranty or misstatement to the Borrower and the Borrower or the Guarantors becoming aware of the misrepresentation, breach of warranty or misstatement;
- (iv) Mr. Li Xiaoxuan is or is deemed for the purposes of any applicable law to be, unable to pay his debts as they fall due or bankrupt, suspends making payments on any of his debts or by reason of actual or anticipated financial difficulties, commences negotiations with one or more of his creditors with a view to rescheduling any of his indebtedness, admits his inability to pay his debts as they fall due or commits an act of bankruptcy;
- (v) Mr. Li Xiaoxuan enters into any composition, scheme, individual voluntary arrangement or other arrangement with his creditors or has an interim order made in relation to him, any person presents a petition or files documents with a court or any registrar for his bankruptcy; and/or
- (vi) Mr. Li Xiaoxuan repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

In case of occurrence of an event of default which is continuing, the Facility Agent may, by notice to the Company: (i) cancel all or part of the total commitments under the Facility; (ii) declare that all or part of the Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and related documents be immediately due and payable; (iii) declare that all or part of the Facility, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and related documents be payable on demand by the Facility Agent acting on the instructions of the majority lenders whose commitments exceed $66\frac{2}{3}$ per cent; and/or (iv) exercise or direct the Security Agent to exercise any or all of its rights, powers, authorities, discretions or remedies under the Facility Agreement and related documents.

As at the date of this announcement, Mr. Li Xiaoxuan, as one of the executive Directors, the chairman of the Board and the controlling shareholder of the Company, indirectly held 55.34% of the issued share capital of the Company by virtue of (1) his 100% interest in Aspire Education Management Co., Ltd., (2) his 53.35% interest in Aspire Education Technology Co., Ltd., (3) his 79.20% interest in Aspire Education Consulting Co., Ltd. and (4) that each shareholder of Aspire Education International Limited has authorized Mr. Li Xiaoxuan to exercise his or her voting rights of Aspire Education International Limited.

The Company will make continuing disclosure in respect of the Facility in its subsequent interim and annual reports pursuant to the requirements of Rule 13.21 of the Listing Rules.

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

Hong Kong, 22 February 2018

As at the date of this announcement, our executive Directors are Mr. Li Xiaoxuan, Mr. Zhao Shuai, Mr. Zhang Ke and Mr. Zhu Lidong, our non-executive Director is Mr. Chen Shuo, and our independent non-executive Directors are Mr. Wong Man Chung Francis, Mr. Hu Jianbo and Mr. Kwong Wai Sun Wilson.