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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)

BUSINESS UPDATES RECENT DEVELOPMENTS IN THE PROPOSED ACQUISITIONS OF SCHOOLS AND INSIDE INFORMATION

This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

Reference is made to the announcements (the “**Announcements**”) of China New Higher Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 4 January 2018, 8 January 2018, 13 June 2018 and 25 June 2018. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that it has made the following proposed acquisitions of schools, pending approvals from relevant government authorities.

Through a series of capital increases and equity transfers from 2015 to 2017, we acquired the entire equity interest in Enchang Company, which has taken over Enhao Company’s rights and obligations in Enhao Company’s agreement with Minzu College to become a joint school sponsor for the Central China School. Recently, the Ministry of Education (the “**MOE**”) has published a notice in respect of the MOE’s preliminary consent to the change of school sponsor of the Central China School to Enchang Company, and is expected to grant the final approval upon the expiry of the sixteen-day notice period. As at the date of this announcement, our proposed acquisition of the Central China School is pending the registration with the provincial civil affairs authorities.

On 8 January 2018, Beijing Daai Consulting, one of our consolidated affiliated entities, entered into a cooperation agreement with Mr. Rong, Ms. Kong and Henan Rongyu, pursuant to which Beijing Daai Consulting agreed to acquire a 55% school sponsorship interest in the Henan School through Henan Rongyu, which was in turn owned by Mr. Rong and Ms. Kong. The consideration for the proposed acquisition is RMB101.5 million. Recently, the Henan School has received the official updated school permit for the change of school sponsor of the Henan School to Henan Rongyu. As at the date of this announcement, the proposed acquisition of the Henan School is pending registration with the provincial civil affairs authorities.

In addition, Huaxuan Company agreed to acquire the entire sponsor interest of the Northeast School from the current school sponsors through a series of agreements entered into in January, April and July 2016. Recently, the Northeast School has received the official updated school permit for the change of school sponsor of the Northeast School to Huaxuan Company. As at the date of this announcement, our proposed acquisition of the Northeast School is pending registration with the provincial civil affairs authorities.

For the purposes of financing our recent acquisitions and supporting our expansion, between 1 January 2018 and 30 June 2018, the Group incurred outstanding borrowings of approximately RMB1,139 million and repaid outstanding borrowings of approximately RMB49 million. Such borrowings include, but are not limited to, the five-year term loan facility agreement that the Group entered into in February 2018, which the Group has agreed to secure by, among others, shares in Huihuang Company. Certain of the Group's other facilities and term loans are similarly secured by shares in, and guaranteed by, the Group's subsidiaries. As at 30 June 2018, the Company has cash and cash equivalents of approximately RMB 602.97 million.

The Board wishes to remind the shareholders of the Company and prospective investors that such financial information was selected from the management accounts of the Company and has not been reviewed or audited by the auditors of the Company or reviewed by the audit committee of the Company. The Group will issue an announcement on its interim results for the six months ended 30 June 2018 in due course in accordance with the Listing Rules.

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

Hong Kong, 25 July 2018

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