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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)

COMPLETION OF THE ISSUE OF U.S.\$100,000,000 1.0 PER CENT. GUARANTEED CONVERTIBLE BONDS DUE 2021

CREDIT SUISSE 

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager

Reference is made to the announcement of the Company dated 17 September 2020 in respect of, among other things, the proposed issue of U.S.\$100,000,000 1.0 per cent. guaranteed convertible bonds due 2021 (the “**Announcement**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE ISSUE OF THE CONVERTIBLE BONDS

The Board is pleased to announce that all conditions set out in the CB Subscription Agreement have been fulfilled and completion of the issue of the Convertible Bonds took place on 30 September 2020. A conditional approval from the Stock Exchange for the listing of, and permission to deal in, the 122,764,137 Conversion Shares and an approval from the Stock Exchange for the listing of the Convertible Bonds have been obtained. The Convertible Bonds are expected to be listed on the Stock Exchange on October 5, 2020.

The Convertible Bonds have been offered and sold to no fewer than six independent places, which are non-U.S. persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance on Regulation S under the U.S. Securities Act. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the places of the Convertible Bonds and their respective ultimate beneficial owners are Independent Third Parties of the Company.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$6.313 per Share, the Convertible Bonds will be convertible into 122,764,137 Conversion Shares (subject to adjustment), representing approximately 7.74% of the issued share capital of the Company as at the date of this announcement and approximately 7.19% of the issued share capital of the Company as enlarged by the issue of such 122,764,137 Conversion Shares.

The table below sets out (i) the existing shareholding structure of the Company; and (ii) the shareholding structure immediately after the full conversion of the Convertible Bonds at the initial Conversion Price:

	As at the date of this announcement		Assuming the Convertible Bonds are fully converted into Conversion Shares (subject to adjustment) at the initial Conversion Price of HK\$6.313 per Share	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Controlling Shareholders				
Seller ⁽²⁾	518,852,625	32.73%	518,852,625	30.37%
Aspire Education Technology ⁽²⁾	175,160,100	11.05%	175,160,100	10.25%
Aspire Education Consulting ⁽²⁾	56,000,000	3.53%	56,000,000	3.28%
Total for Controlling Shareholders	<u>750,012,725</u>	<u>47.31%</u>	<u>750,012,725</u>	<u>43.90%</u>
Public Shareholders				
Bondholders	–	–	122,764,137	7.19%
Other Public Shareholders	835,457,685	52.69%	835,457,685	48.91%
Total:	<u>1,585,470,410</u>	<u>100%</u>	<u>1,708,234,547</u>	<u>100%</u>

Notes:

1. This assumes (i) no Shares will be issued pursuant to any employee share option scheme of the Company or otherwise; (ii) no Shares will be purchased by the Company, and (iii) no Shares will be purchased by the Controlling Shareholders from the public Shareholders, in each case between the date of this announcement and the conversion of the Convertible Bonds into Conversion Shares. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.
2. As at the date of this announcement, (a) Mr. Li is the sole shareholder of the Seller and he is therefore deemed to be interested in the Shares held by the Seller under the SFO; (b) Mr. Li holds 61.48% shares in Aspire Education Technology and he is therefore deemed to be interested in the Shares held by Aspire Education Technology under the SFO; and (c) Mr. Li holds 79.19% shares in Aspire Education Consulting and he is therefore deemed to be interested in the Shares held by Aspire Education Consulting under the SFO.
3. As at the date of this announcement, Mr. Li is deemed to be interested in 1,452,500 underlying Shares which may be issued to him upon exercise of the share options granted to him by the Company.

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

Hong Kong, 30 September 2020

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