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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 UPDATE IN RELATION TO
THE CONVERSION OF CENTRAL CHINA SCHOOL**

This announcement is made by China New Higher Education Group Limited (the “**Company**”) on a voluntary basis to provide the Shareholders of the Company and potential investors an update on the latest business development of the Company.

APPROVAL FOR THE CONVERSION OF THE COLLEGE

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the announcement of the Company dated 26 August 2019 in relation to the Central China School.

The board of directors of the Company is pleased to announce that the Central China School has obtained approval from the Ministry of Education of the People’s Republic of China (“**MOE**”) for converting from an independent college into a full private university (the “**Conversion**”). Upon the completion of the Conversion, the Central China School will be renamed as “**Hubei Enshi College*** (湖北恩施學院)”, and will recruit students under the name of the new school and manage the students according to the management system of the new college.

REASONS FOR AND BENEFITS OF THE CONVERSION

The Directors are of the view that:

- (i) according to the Implementation Plan for Accelerating the Conversion of Independent Colleges (《關於加快推進獨立學院轉設工作的實施方案》) issued by the MOE, the MOE will “provide further supports to the converted schools in terms of enrolment plans, project application and discipline settings, etc.; and encourage the local government where the school is situated to provide policy support in terms of per-student allocation, financial rewards and subsidies, discount loan, talents recruitment, procurement services, land supply, tax exemption and reduction, financial support, etc.”;

- (ii) after the conversion of Central China School, it will further expand its autonomy in school operation, and the Group will optimize its pricing strategy through high quality school operation to improve continuously its operational efficiency;
- (iii) Central China School has a strong focus on medical science disciplines, and its School of Medicine has distinctive advantages and features, including clinical medicine, clinical Chinese and Western medicine, and nursing, etc. The school has established a complete higher medical education system with clinical medicine as its main discipline and an open three-dimensional school operation mode. In the future, the school will enrich the specialty settings of the universities and colleges under the Group through its advantageous specialty mix, bringing more synergy to the Group's development; and
- (iv) after the completion of the Conversion, Central China School will be more clearly positioned to provide high-quality employment for students, vigorously develop the talent cultivation model of industry-education integration and collaborative education, promote high-quality employment for students, better adapt to the development of new industries and new jobs, and thereby support the Group's development strategy of "great quality, great price".

Therefore, the Directors consider that the conversion of Central China School is in the interests of the Company and its shareholders.

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

Hong Kong, 31 March 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*