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If you have sold or transferred all of your shares in the capital of the Company represented by physical share certificate(s) or otherwise, you should immediately forward this circular to the purchaser or transferee or to the bank, the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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No Shareholder receiving a copy of this circular in any territory outside Hong Kong may treat the same as an invitation to subscribe for Scrip Shares unless in the relevant territory such invitation could lawfully be made to such person without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive the Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities.

This circular does not constitute an offer to sell or solicitation of an offer to buy any of the Shares in the United States of America. The Shares may not be offered or sold in the United States of America absent registration or an applicable exemption from registration requirements. No public offer of the Shares is to be made in the United States of America.



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)

SCRIP DIVIDEND SCHEME **IN RELATION TO THE FINAL DIVIDEND** **FOR THE YEAR ENDED 31 AUGUST 2024**

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Xiaoxuan
Mr. Zhao Shuai
Mr. Chan Tung Hoi

Independent non-executive Directors:

Mr. Kwong Wai Sun Wilson
Dr. Pang Tsz Kit Peter
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25 March 2025

To the Shareholders,

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 AUGUST 2024

INTRODUCTION

On 28 November 2024, China New Higher Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announced that the board of directors of the Company (the “**Board**”) recommended the payment of a final dividend of RMB0.233 (equivalent to approximately HK\$0.25206, according to the average middle exchange rate of RMB to HKD published by the People's Bank of China of the five business days prior to the declaration of the final dividend (i.e. 21 November 2024 to 27 November 2024)) per share of the Company (the “**Share(s)**”) for the year ended 31 August 2024 (the “**Final Dividend**”) to eligible shareholders of the Company (“**Eligible Shareholder(s)**”) whose names appear on the Register of Members

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of the Company (the “**Register of Members**”) on Monday, 17 March 2025 (the “**Record Date**”), which will be payable wholly in the form of new fully paid Shares (the “**Scrip Shares**”) (the “**Scrip Dividend Scheme**”).

At the annual general meeting of the Company held on Thursday, 13 February 2025, the declaration of the Final Dividend was approved by the shareholders of the Company (the “**Shareholders**”). In order to ascertain the Shareholders’ entitlement to the Final Dividend (except the holder of treasury shares (if any)), the Register of Members will be closed from Wednesday, 12 March 2025 to Monday, 17 March 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified for the Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 11 March 2025.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Eligible Shareholder is entitled to receive the Final Dividend wholly in the form of allotment and issue of the Scrip Shares credited as fully paid up.

The number of the Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme was calculated by reference to the market value of HK\$0.906 per Share, which was the average of the closing prices per Share (the “**Average Closing Price**”) as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five (5) consecutive trading days commencing from, and including, Monday, 10 March 2025 (being the day when the Shares were first quoted ex- dividend). Accordingly, the number of the Scrip Shares which the Eligible Shareholders are entitled to receive in respect of the existing Shares registered under their names as at the Record Date will be calculated as follows:

$$\begin{array}{rclcl} \text{Number of Scrip Shares} & & & & \text{HK\$0.25206} \\ \text{to be allotted and issued} & & \text{Number of Shares held} & & \text{(Final Dividend per Share)} \\ \text{(rounded down to the nearest} & = & \text{as at the Record Date} & \times & \text{HK\$0.906,} \\ \text{whole number)} & & & & \text{being the Average Closing Price} \\ & & & & \text{per Share} \end{array}$$

Where the number of Scrip Shares which may be issued to an Eligible Shareholder includes a fraction but is not less than one, the number of Scrip Shares to be issued will be rounded down to the nearest whole number and the fraction will be disregarded. The Scrip Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Scrip Shares, except that they will not be entitled to the Final Dividend or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Final Dividend, unless the Directors

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shall otherwise specify. The Scrip Shares issued to the Shareholders may be allocated in odd lots (of fewer than a board lot of 1,000 Shares).

As at 18 March 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular, save as 3,623,300 options outstanding at an exercise price of HK\$5.33 each under the share option scheme adopted by the Company on 20 March 2017, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares, as the case may be.

The Scrip Shares will be allotted by way of capitalisation of the Company's reserves and are not renounceable.

Eligible Shareholders will receive one (1) share certificate (posted by ordinary mail) for the Scrip Shares at the own risk of the Eligible Shareholders.

Arrangement on odd lot trading

Odd lots of the Shares (of fewer than a board lot of 1,000 Shares) may arise out of the issuance of Scrip Shares. In order to facilitate the trading of odd lots (if any) arising from the issuance of Scrip Shares, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent ("**Matching Agent**") to provide odd lots matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares during the period from 22 April 2025 to 22 July 2025. Shareholders who wish to take advantage of this service should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period. Shareholders who would like to match odd lots are recommended to make an appointment in advance by dialling the telephone number of Computershare Hong Kong Investor Services Limited set out above. Shareholders should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who are in doubt about this service are recommended to consult their professional advisors.

RATIONALE AND PURPOSE OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will enable Eligible Shareholders to increase their investment in the Company without incurring brokerage fees, stamp duty and other related costs.

In addition, the Scrip Dividend Scheme will benefit the Company as such cash which would otherwise be payable in respect of the Final Dividend may be retained in the Company to fund the growth of the Group, if required. The issue of Scrip Shares under the Scrip Dividend Scheme will also enlarge the Company's share capital base and the retention of cash will strengthen its working capital position. Accordingly, the Directors consider that the Scrip Dividend Scheme would enhance the trading liquidity in the Shares and the Group's continuous

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growth, maintain the financial stability and reduce the financing costs of the Group, and is in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 1,542,734,630 Shares in issue as at the Record Date, the maximum number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme will be 429,207,164 Shares, representing approximately 27.82% of the total number of issued Shares of the Company as at the Record Date and approximately 21.77% of the total number of issued Shares of the Company as enlarged by the allotment and issue of the Scrip Shares.

Shareholders should note that the Scrip Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

OVERSEAS SHAREHOLDERS

Having reviewed the Register of Members as at the Record Date, other than the PRC Southbound Trading Investors (as defined below), the Company noted that there was no Shareholder whose registered address (as shown in the Register of Members on Record Date) is outside Hong Kong.

Further, according to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website (<https://www.hkexnews.hk>), as at the Record Date, 71,581,259 Shares of the Company, representing approximately 4.63% of the total issued Shares of the Company, were held by China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Pursuant to the Frequently Asked Questions FAQ 18.4 No. 1–4 first issued by the Stock Exchange in November 2014 and last updated in June 2024 on the interpretation of the Listing Rules, investors from the PRC who hold shares of the Company through ChinaClear as nominee under Shanghai Connect and Shenzhen Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Shares in respect of all or part of his/her holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions to such intermediary in relation to receiving of the Scrip Shares.

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Shareholders are reminded that it is the responsibility of any Shareholder wishing to join the Scrip Dividend Scheme to satisfy himself/herself as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction. For the avoidance of doubt, the Scrip Shares are not being offered to the public. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers without delay.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon approval of the listing of, and permission to deal in, the Scrip Shares being granted by the Stock Exchange. If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective.

LISTING OF AND DEALINGS IN THE SCRIP SHARES AND DESPATCH OF SHARE CERTIFICATES

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares. It is expected that share certificates with respect to the Scrip Shares will be despatched to Eligible Shareholders at the risk of those entitled thereto on Thursday, 17 April 2025. The first day of dealings in the Scrip Shares on the Stock Exchange are expected to be on Tuesday, 22 April 2025.

The Shares are listed on and dealt in on the Stock Exchange. No Shares of the Company are listed on or dealt in any other stock exchange, nor is listing or permission to deal in any other stock exchange being or proposed to be sought.

CENTRAL CLEARING AND SETTLEMENT SYSTEM

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be allotted and issued on the terms disclosed to the Shareholders in this circular and be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”). Dealings in the Scrip Shares may be settled through CCASS. Shareholders should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

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TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable and is indicative only:

Last day of dealings in the Shares on a
cum-dividend basis Friday, 7 March 2025

Commencement of dealings in the
Shares on an ex-entitlement basis Monday, 10 March 2025

Latest time for submission of share transfer
forms for share transfers in Hong Kong
to qualify for the Final Dividend. 4:30 p.m. on
Tuesday, 11 March 2025

Closure of the Register of Members for determining
entitlement to the Final Dividend from Wednesday, 12 March 2025 to
Monday, 17 March 2025
(both days inclusive)

Record Date Monday, 17 March 2025

Expected date of despatch of share certificates for
the Scrip Shares to the Eligible Shareholders Thursday, 17 April 2025

Expected commencement of dealing in the
Scrip Shares on the Stock Exchange. Tuesday, 22 April 2025

First date for the Matching Agent to stand
in the market to provide matching services
for odd lots of the Shares 9:00 a.m. on
Tuesday, 22 April 2025

Last date for the Matching Agent ceases to stand
in the market to provide matching services
for odd lots of the Shares 4:00 p.m. on
Tuesday, 22 July 2025

Note: References to time and dates above are Hong Kong time and date.

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DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this circular constitutes full and true disclosure of all material facts about the Scrip Dividend Scheme in relation to the Final Dividend, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this circular misleading. Where information in the circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

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