THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China New Higher Education Group Limited**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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)

MAJOR TRANSACTION
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN TARGET COMPANY

A letter from the Board is set out on pages 6 to 21 of this circular.

The Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder have been approved by written shareholders' approval obtained from Aspire Education Technology, Aspire Education Management, Aspire Education Consulting, Li Family Trust and Li & Yang Settlement, pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

10 July 2026

CONTENTS

Pages

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

"Aspire Education Consulting"	Aspire Education Consulting Co., Ltd., a company incorporated in the British Virgin Islands and wholly-owned by Mr. Li, which has held Shares since 19 April 2017
"Aspire Education Management"	Aspire Education Management Co., Ltd., a company incorporated in the British Virgin Islands and wholly-owned by Mr. Li, which has held Shares since 19 April 2017
"Aspire Education Technology"	Aspire Education Technology Co., Ltd., a company incorporated in the British Virgin Islands and wholly-owned by Mr. Li, which has held Shares since 19 April 2017
"Board"	the board of Directors
"Company"	China New Higher Education Group Limited (中國新高教集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 July 2016
"Completion"	completion of the Disposal, which involves the registration of the Purchaser as the shareholder of the Target Company
"Consideration"	the total consideration for the Disposal, being RMB359.5 million
"Director(s)"	the directors of the Company
"Disposal"	the disposal of the Sale Shares pursuant to the Sale and Purchase Agreement
"Group"	the Company, its subsidiaries, PRC operating schools and consolidated affiliated entities from time to time
"Guangxi Schools"	collectively, Guangxi Yinghua International Occupation College* (廣西英華國際職業學院) and Guangxi Yinghua International Occupation Middle School* (廣西英華國際職業學院附屬中學)
"Guangxi School Sponsor"	Qinzhou Yinghua Datang Education Investment Co., Ltd.* (欽州英華大唐教育投資有限公司), a limited liability company established under the laws of the PRC on 25 August 2017

"Hainan Pusen"	Hainan Pusen Technology Co., Ltd.* (海南浦森科技有限公司), a limited liability company established under the laws of the PRC on 21 December 2023 and a wholly-owned subsidiary of the Group
"Huihuang Company"	Tibet Daai Huihuang Information and Technology Co., Ltd.* (西藏大愛輝煌信息科技有限公司), a limited liability company established on 5 August 2016 under the laws of the PRC and a wholly-owned subsidiary of the Group
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
"Latest Practicable Date"	9 July 2026, being the latest practicable date for ascertaining certain information in this circular
"Li & Yang Settlement"	a discretionary trust established by Mr. Li as the settlor, in which the trustee holds Shares since 28 August 2023 through a holding vehicle, Fortune Trophy Limited
"Li Family Trust"	a discretionary trust established by Mr. Li, in which the trustee holds Shares since 19 September 2024 through holding vehicles, namely, Lendit Holdings Limited, Elm Pacific Holdings Limited and Sunnyland Ventures Limited
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Mr. Li"	Mr. Li Xiaoxuan (李孝軒), the founder of the Group, one of the controlling Shareholders of the Company, chairman of the Board and an executive Director
"Nanjing Jingyuming"	Nanjing Jingyuming Technology Co., Ltd.* (南京景豫銘科技有限公司), a limited liability company established under the laws of the PRC on 13 December 2023 and a wholly-owned subsidiary of the Group

"Pai Dui Pai"	Kunming Paiduipai Economic Information Consultancy Co., Ltd.* (昆明排對排經濟信息諮詢有限公司), a limited liability company established under the laws of the PRC on 2 June 2010 and one of the new Registered Shareholders holding 20.0568% equity interest of Yun Ai Group
"PRC" or "China"	the People's Republic of China excluding, for the purpose of this circular, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"PRC Consolidated Affiliated Entities"	namely, the School Sponsors and the PRC Operating Schools, each a consolidated affiliated entity of the Company and other investment holding companies which were consolidated to the Group by virtue of the Structured Contracts, as amended from time to time
"PRC Operating Schools"	the consolidated affiliated entities, namely, Yunnan School, Guizhou School, Gansu School, Luoyang School, Northeast School, Guangxi Schools, Central China School and Zhengzhou School and other schools which were consolidated to the Group by virtue of the Structured Contracts, as these terms are defined in the 2024/2025 annual report of the Company
"Purchaser"	Guangxi Yinghua Haian Education Investment Co., Ltd.* (廣西英華海岸教育投資有限公司), a limited liability company established in the PRC in 2026 and owned as to 70% by Mr. Li Cong and 30% by Ms. Chen Chunli
"Registered Shareholders"	the shareholders of Yun Ai Group, as updated from time to time
"Relevant Structured Contracts"	a series of contracts entered into by Huihuang Company with, among others, the Vendor, Guangxi Schools and the Guangxi School Sponsor, which enable the Company to exercise control over the Guangxi Schools and the Guangxi School Sponsor whereby their results of operations are consolidated into the Group's results of operations
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the agreement for the sale and purchase of Sale Shares dated 29 May 2026 entered into among the Vendor, the Purchaser and the Target Company in relation to the Disposal

"Sale Shares"	100% equity interest in the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
"Share(s)"	ordinary share(s) of US$0.0001 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Shenzhen Yuanqi"	Shenzhen Yuanqi Consultation Services Co., Ltd.* (深圳遠啟諮詢服務有限公司), a limited liability company established under the laws of the PRC on 11 September 2024 and a wholly-owned subsidiary of the Group
"Songming Dexue"	Songming Dexue Education Development Co., Ltd.* (嵩明德學教育發展有限公司), a limited liability company established under the laws of the PRC on 17 April 2019 and wholly owned by Mr. Li. Songming Dexue is one of the Registered Shareholders and owns 70.8305% equity interest of Yun Ai Group
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Target Company"	Songming Xinju Enterprise Management Company Limited* (嵩明新巨企業管理有限公司), a limited liability company established under the laws of the PRC on 27 October 2016 and a wholly-owned subsidiary of the Vendor
"Target Group"	the Target Company, the Guangxi School Sponsor and the Guangxi Schools
"Vendor"	Beijing Daai Shuren Education Consulting Company Limited* (北京大愛樹人教育諮詢有限公司), a limited liability company established in the PRC on 14 March 2018, which is a wholly-owned subsidiary of Yun Ai Group and a consolidated affiliated entity of the Company

"Written Shareholders' Approval"	the written shareholders' approval dated 29 May 2026 in respect of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder given by Aspire Education Technology, Aspire Education Management, Aspire Education Consulting, Li Family Trust and Li & Yang Settlement
"Yun Ai Group"	Yunnan Einsun Education Investment Group Co., Ltd.* (雲南愛因森教育投資集團有限公司), a limited liability company established under the laws of the PRC on 19 September 2005, and is owned as to 70.8305% by Songming Dexue, 20.0568% by Pai Dui Pai, 5.7305% by Kunming Bamupu Technology Co., Ltd. and 3.3822% by Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd., and is a consolidated affiliated entity of the Company
"%"	per cent.

* *for identification purpose only*

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 *(Chairman)*
Mr. Zhao Shuai
Mr. Chan Tung Hoi

Independent non-executive Directors:
Mr. Kwong Wai Sun Wilson
Dr. Pang Tsz Kit Peter
Ms. Wong Ka Ki Ada

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wan Chai
Hong Kong

10 July 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN TARGET COMPANY

INTRODUCTION

Reference is made to the announcement of the Company dated 29 May 2026.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder; and (ii) other general information of the Company.

BACKGROUND

The Board is pleased to announce that on 29 May 2026, the Vendor (one of the Company's consolidated affiliated entities), the Purchaser and the Target Company entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares for the Consideration. Upon Completion, the Relevant Structured Contracts are terminated and of no further effect, as such, the Target Company ceased to be a consolidated affiliated entity of the Company and consolidated as a subsidiary of the Company and the financial results of the Target Company and the Guangxi Schools will cease to be consolidated into the Group's consolidated financial statements.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set forth as below.

Date: 29 May 2026

Parties:

(1) Vendor;

(2) Purchaser; and

(3) Target Company

Subject Matter: Subject to the terms and conditions of the Sale and Purchase Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares for a consideration of RMB359.5 million.

Payment Terms: The Purchaser shall pay the full Consideration into a bank account opened under the name of the Vendor and which is jointly controlled by the Vendor and the Purchaser, before 31 May 2026. Upon the Vendor's fulfilment of the withdrawal condition as set out in the Sale and Purchase Agreement, the joint control shall be terminated and all funds in such jointly controlled bank account shall be paid to a bank account designated by the Vendor.

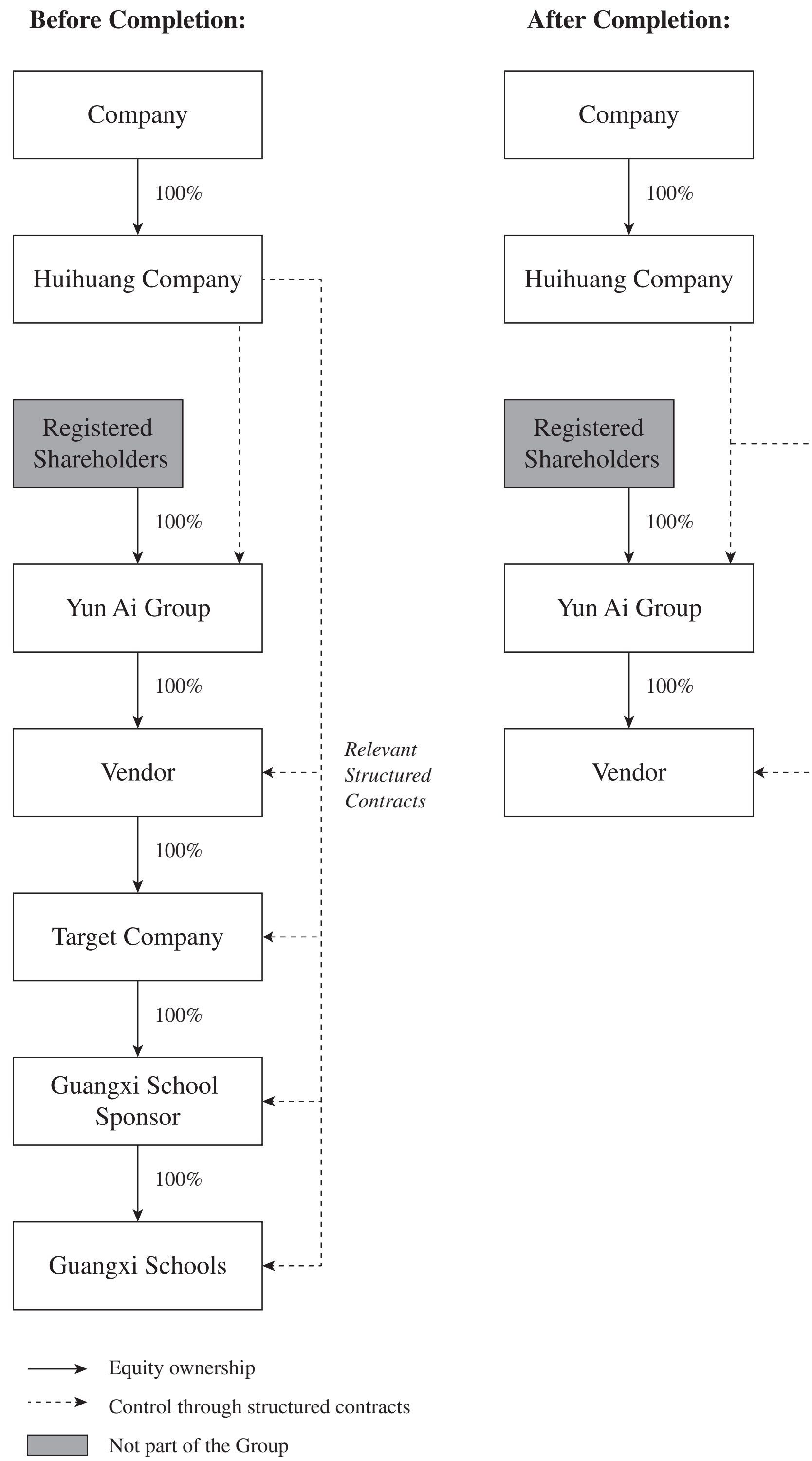
Withdrawal Condition: The withdrawal condition is that the Vendor shall ensure that the registration of the Purchaser as the shareholder of the Target Company is completed within 30 business days after the opening of the jointly controlled bank account. If withdrawal condition has been met but the Purchaser has not terminated the joint control, the Purchaser shall pay compensation equivalent to 0.06% of the Consideration for every day of delay. In case there is up to 10 days of delay, the Vendor will not return the amount already paid by the Purchaser as compensation for the delay and in addition to paying all the funds in the jointly controlled bank account to a bank account designated by the Vendor, the Purchaser shall also compensate the Vendor for all economic loss. Mr. Li Cong, the actual controller of the Purchaser, shall be jointly responsible for such compensation.

Representations and warranties in respect of the Disposal: The Sale and Purchase Agreement contains customary representations and warranties from the Purchaser and the Vendor in respect of the Disposal.

Completion took place on 29 May 2026. The registration of the Purchaser as the shareholder of the Target Company is completed and the Purchaser paid the full Consideration to a bank account designated by the Vendor on the same day.

Upon Completion, the Target Company, being the sole shareholder of the Guangxi School Sponsor, became wholly owned by the Purchaser, and the Target Company ceased to be a consolidated affiliated entity of the Company and consolidated as a subsidiary of the Company. In addition, the Relevant Structured Contracts are terminated and of no further effect, and as such, the financial results of the Guangxi Schools will also cease to be consolidated into the Group's consolidated financial statements.

Set out below is a simplified chart of the Group before and after Completion:



Note: Other subsidiaries of the Group that are not relevant to the Disposal are not shown in the above simplified group charts.

BASIS OF DETERMINATION

The terms of the Sale and Purchase Agreement, including the Consideration, were determined after arm's length negotiations between the parties thereto, taking into account various factors, including: (1) the consolidated net assets and financial performance of the Target Group for the year ended 31 August 2025; (2) the costs of the Company's past investment in the Target Group; (3) the benefits of the Disposal as set out in the section headed "Reasons for and Benefits of the Disposal" in this circular; and (4) for the Board's reference, the Board has also considered the appraised value of the Sale Shares of approximately RMB354 million as of 30 April 2026, prepared by the valuer using the Market Approach.

The Consideration was determined after arm's length negotiations taking into account, among other things, the market value of the Sale Shares, and also took into consideration the Company's historical investment costs in the Target Group. To assess the value, the Company has engaged the valuer to conduct a valuation on the Sale Shares as at 30 April 2026 (the "**Business Valuation**"). The Business Valuation was based on the Market Approach utilising the guideline public company method, in which the EV/EBITDA (as hereinafter defined in Appendix II to this circular) multiple was applied. According to the Business Valuation report, the estimated value of the Sale Shares was approximately RMB354 million (the "**Business Valuation Result**"). Accordingly, the Consideration of RMB359.5 million represents a premium of approximately 1.55% over the Business Valuation Result.

The Board has reviewed the Business Valuation Report ("**Business Valuation Report**") set out in Appendix II and the relevant financial information, and has discussed with the independent valuer, Vincorn Consulting and Appraisal Limited (the "**Valuer**"). The Board is of the view that the adoption of EV/EBITDA multiple in the valuation is appropriate and reasonable, as the EV/EBITDA multiple is a commonly used valuation metric internationally for companies in the education industry. Compared with net profit, which is significantly affected by depreciation, amortisation, interest and taxation, EBITDA eliminates the effects of capital structure, tax policies and non-cash expenses (such as depreciation and amortisation), and more purely reflects the cash-generating ability of the core business of an enterprise. The EV/EBITDA multiple precisely reduces the interference arising from such accounting treatments and financing structures and enables a fairer comparison of the operating value between the Target Group and the comparable companies.

The Board has referred to the financial information set out on pages 19 to 20 of the circular (the letter from the Board) and that used in the Business Valuation Report. The Target Group had achieved profitable operating metrics as at the valuation date: the loss for fiscal year 2025 (for the year ended 31 August 2025) disclosed on page 20 of the circular represents historical financial performance; the Valuation Date ("**Valuation Date**") adopted in the Business Valuation Report is 30 April 2026. According to the unaudited management accounts of the Target Group cited in the Business Valuation Report, normalized last twelve months (LTM) EBITDA of the Target Group as at 31 August 2025 and 30 April 2026 were both positive, amounting to RMB73.37 million and RMB63.55 million, respectively. To the best of the Board's understanding, normalized LTM EBITDA of the Target Group during the above periods had been adjusted to exclude one-off non-operating expenses. Normalized LTM EBITDA of the Target Group as set out in the Business Valuation Report for the twelve-month ended 30 April 2026 amounted to RMB63.55 million, which was derived from the profit before taxation of the Target Group for the same period after making the following adjustments:

Items	**For the twelve-month ended 30 April 2026** *RMB Million*
Profit/(Loss) before tax(1)	(17.15)
Interest Expenses, Depreciation and Amortization charges	18.00
LTM EBITDA before adjustment(2)	0.85
Adjustments on one-off non-operating expenses:	
Teaching and Research Support Services(3)	33.72
Information Technology Support Services(4)	17.32
Property Logistics Services(5)	11.66
Normalized LTM EBITDA(6)	63.55

Notes:

(1) For the twelve-month ended 30 April 2026, the Company recorded a loss before taxation of RMB17.15 million, representing an increase in loss of RMB16.3 million compared with the loss before taxation of RMB0.9 million (as set out in the information relating to the Target Group below) for the year ended 31 August 2025. This was primarily attributable to a decrease in revenue of RMB6.1 million, combined with an increase in costs of RMB10.7 million to maintain the Group's high-quality teaching input requirements.

(2) LTM EBITDA before adjustments: to arrive at the normalized LTM EBITDA, adjustments were made for items that are components of EBITDA, namely interest expenses, depreciation and amortization charges to ensure consistency of the profitability metrics with those of comparable companies;

(3) Teaching and Research Support Services encompass student academic profiling, small-class teaching reform, positive psychology curriculum development, BOPPPS instructional model training, teaching excellence competition advisory, "Double-High" project application support, and graduation requirement compliance review, which are all designed based on the Group's unified educational standards, quality assurance framework, and brand development strategy. The Group must deploy a unified service platform to translate its strategic objectives into actionable, measurable, and assessable initiatives across all of its PRC operating schools, thereby ensuring consistent educational standards, uniform quality benchmarks, and brand integrity without fragmentation. Such unified standard services represent a fundamental commitment by the Group to fulfilling its primary educational responsibilities, a critical measure for high-quality development, and a necessity rooted in the Group's comprehensive governance framework.

(4) Information Technology Support Services encompass smart teaching platform, teaching evaluation platform, stakeholder feedback platform, student fee collection platform, NCC financial management platform, OA (office automation) infrastructure services, and procurement process platform, covering a comprehensive range of operational domains including instruction, evaluation, student services, finance, administration, and supply chain management. The Group must deploy a unified technology infrastructure to implement its internal control measures as a listed company, and enforces data standards, and compliance baselines rigorously across all of its PRC operating schools. These services are therefore important for the Group to ensure that it is in full compliance with its cybersecurity and data protection policies, financial consolidation is executed without deviation, audit trails remain unbroken and fully traceable, and business processes are integrated without fragmentation. Such unified standard services are essential for the Group to fulfill its governance responsibilities as a listed company and represent a fundamental requirement of its overall governance framework.

(5) Property and Logistics Services comprise landscaping, cleaning, security, routine maintenance, elevator operation and maintenance, and secondary water supply system maintenance, which are higher value services centrally undertaken by a subsidiary of the Group, covering the full-spectrum of logistics needs for all of the PRC operating schools under the Group's operation. These services are necessary for the Group because student experience is of a fundamental importance to the Group's reputation as an education group, and campus environmental quality serves as the primary touch-point through which students and their families form their perception of the Group's institutional brand. As a listed company, the Group bears a fiduciary responsibility to students and their families to deliver on its brand promise – any shortfall in campus experience at any single institution may trigger cascading brand trust implications, directly impairing the Group's reputation valuation in the capital markets. Such unified standard services represent a critical requirement for listed groups to fulfill their brand responsibilities, honor their commitments to deliver quality education for students and families, and build a competitive edge in the highly challenging landscape of higher education.

(6) For the purpose of valuing the Target Group in connection with the Disposal, the Group adopted the normalized LTM EBITDA for the twelve-month ended 30 April 2026 as the core profitability benchmark. Such amount was derived from LTM EBITDA before adjustment of the Target Group after adjusting for one-off non-operating expenses. As the Target Group operates within the Group's corporate system, the Group provides it with services in relation to teaching and research, technical support, and property logistic support based on its development needs based on its development needs for their integration with the Group, which were services that are not required when the Target Group is to operate independently upon its disposal and no longer being part of the Group. The aforementioned services are terminated accordingly and are not required for the Target Schools to operate for revenue generation. Consequently, these items are considered to be one-off non-operating expenses in the valuation of the Target Group and eliminating these items fairly reflects the true profitability of the Target Group's core business operations under standalone operation status.

The Group confirms that it will no longer receive payment from the Target Group for the relevant services related to these one-off non-operating expenses upon the Disposal. The pro forma adjusted net asset value of the Target Group as at 30 April 2026, after deducting the cumulative relevant service costs since the Guangxi Schools joined the Group in 2019, amounted to RMB501 million. Such pro forma net asset value does not represent the Target Group's actual available assets or true financial position, nor do they involve any substantive asset appreciation or realized economic benefits. The Board is of the view that, as compared with the historical annual loss which included one-off non-operating expenses, the exclusion of one-off non-operating expenses better reflects the operating performance of the Target Group under normalised operations, and therefore the Valuer adopted the normalised LTM EBITDA as the valuation basis.

The Board has reviewed 8 comparable companies selected by the Valuer and their corresponding EV/EBITDA multiples (ranging from 0.92x to 54.62x).

As at the Valuation Date, market capitalizations of comparable companies are as follows:

Name of comparable companies	**Stock Code**	**Market Capitalizations** *(RMB Million)*
Edvantage Group Holdings Limited	SEHK:382	815.16
Minsheng Education Group Company Limited	SEHK:1569	499.94
Shanghai Gench Education Group Limited	SEHK:1525	711.74
Leader Education Limited	SEHK:1449	153.98
China Science and Education Industry Group Limited	SEHK:1756	575.24
Virscend Education Company Limited	SEHK:1565	519.57
Bojun Education Company Limited	SEHK:1758	100.76
South China Vocational Education Group Limited	SEHK:6913	225.56

The Board concurs with the Valuer's professional judgement and holds the following views:

The Board notes that the range of multiples is relatively wide; however, having reviewed the business descriptions and financial data of each of the comparable companies, the Board is of the view that all eight companies meet the objective screening criteria preset by the Valuer in the Business Valuation Report (namely, deriving their principal revenue from secondary/tertiary/vocational education, operating in Chinese Mainland, listed in the Stock Exchange of Hong Kong, with market capitalisation below RMB1 billion, etc.). On this basis, any subjective exclusion would potentially introduce bias.

The Business Valuation Report clearly shows that in computing the EV/EBITDA multiples, the Valuer adopted the median multiple of 5.48x, rather than the arithmetic mean (approximately 13.7x). As a robust measure of central tendency, the median is not sensitive to extremely large or extremely small values. Even with the presence of the highest value of 54.62x or the lowest value of 0.92x, the median multiple (5.48x) is primarily determined by the multiples of the companies in the middle range. This means that the existence of extreme multiples did not dominate the Business Valuation Result.

The Board considers the wide range of comparable company multiples to be justified in the following aspects:

- Objectivity of the screening criteria: as stated above, all comparable companies were selected based on objective and verifiable criteria, with a transparent process; and

- Robustness of the multiple application: the adoption of the median rather than the mean is a standard practice in industry valuation to handle such data distribution.

The Board is of the view that the adoption of the median multiple has adequately and reasonably addressed the issue of the wide range of multiples. Based on the objective screening criteria, the robust statistical methodology and the multi-layer parameter verification, the Board is satisfied that the above treatment is fair and reasonable.

Meanwhile, the Board has reviewed the bases for the selection of the discount for lack of marketability (DLOM) and the control premium (CP) in the Business Valuation Report. The Board is of the view that such rates are appropriate for the Target Group, with the specific bases set out below:

(A) Discount for lack of marketability (DLOM) – 20.4%

1. Basis:

This discount rate is directly quoted from the “Stout Restricted Stock Study Companion Guide (2025 Edition)” (“**Stout Study**”) referred to on page 40 of the circular with the section headed “Business Valuation Report of the Target Company”. The Stout Study is one of the recognised authoritative studies in the international valuation field for quantifying the value discount of private companies relative to publicly traded companies arising from the lack of immediate marketability. By analysing the price differentials between restricted stock transactions and public market prices, Stout Study provides an empirically based reference range for DLOM. The Valuer’s selection of 20.4% is consistent with the recommended range under that study for companies of the Target Group’s size and industry characteristics.

2. Suitability for the Target Group:

The Target Group is a privately owned limited liability company with no public trading market for its equity interests. Compared with shares of the comparable listed companies, investors who acquire equity interests in the Target Group are unable to realise their investment through a stock exchange within a short period of time, resulting in significantly poorer liquidity; liquidity itself has value. As the equity interest of the Target Group lack this attribute, its value should be lower than that of equity interests in a listed company with an identical business model and financial performance. The application of a 20.4% DLOM is precisely intended to fairly reflect this objective value differential.

(B) Control premium (CP) – 19.4%

1. Basis:

This premium is directly quoted from the "FactSet/BVR Control Premium Study" ("**Control Premium Study**") referred to on page 41 of the circular with the section headed "Business Valuation Report". Control Premium Study collates a substantial number of actual transaction cases involving controlling interest acquisitions, and through statistical analysis of the premium of transaction prices over pre announcement market prices, derives the average premium level that market investors are willing to pay for obtaining control of a company. The Business Valuation Report states that, within the dataset studied, the control premiums ranged from 11.5% to 31.5%, with an average of 19.4%. The Valuer's adoption of the average is in line with general valuation practice.

2. Suitability for the Target Group:

The subject matter of the disposal is the entire 100% equity interest in the Target Group, representing a full controlling interest. The Purchaser will obtain absolute control over all operational, financial and strategic decisions of the Target Group, including the appointment of management, determination of profit distribution, and approval of major investments and asset disposals. The series of rights enjoyed by the controlling shareholder enables it to maximise returns on its investment in accordance with its own wishes, which carries significant additional value compared with holding only a minority interest (which is typically limited to passive acceptance of decisions). The application of a 19.4% control premium is precisely intended to reflect the enhancement in value arising from such control.

The EV/EBITDA multiples of the comparable companies are calculated based on the minority interest trading prices in their public markets. When applying such multiples to the 100% equity interest in the Target Group, it is necessary to adjust from a "minority interest value basis" to a "controlling interest value basis" by adding a control premium, so as to ensure consistency in the valuation basis and the reasonableness of the result.

In summary, the Board confirms that the 20.4% discount for lack of marketability and the 19.4% control premium are both derived from authoritative empirical studies in the international valuation field, and their selection is supported by sufficient and objective market data. Such rates accurately reflect the specific attributes of the 100% controlling interest in the Target Group as a non-listed company and are appropriate and fair for the Business Valuation Result.

For information regarding the Business Valuation (including the methodology, key assumptions, and detailed analysis), please refer to the "Business Valuation Report of the Target Company" as set out in Appendix II to this circular.

In addition to considering the Business Valuation Result, the Directors also assessed the net asset value of the Target Group, and particularly focused on the market value of the property. According to the management accounts of the Target Group as at 30 April 2026, the book value of the property was approximately RMB363 million. In light of the information, the Company engaged the Valuer to conduct a detailed valuation on the market value of the property (the "**Property Valuation**"). According to the Property Valuation report, the estimated market value of the property was approximately RMB366 million. Based on the Property Valuation result, the Directors calculated the net asset value of the Target Group as at 30 April 2026 after taking into account the fair value gain of the property of approximately RMB3 million, and thus the adjusted net asset value was approximately RMB348 million. Accordingly, the Consideration of RMB359.5 million represents a premium of approximately 3.30% over the adjusted net asset value.

For information regarding the Property Valuation (including the methodology, key assumptions, and detailed analysis), please refer to the "Property Valuation Report" as set out in Appendix III to this circular.

Based on the above findings, the Directors are of the view that the final Consideration is in line with normal commercial practices, is fair and reasonable, and is in the best interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company conducted a thorough assessment on the management resources and funds that are required to ensure all the schools operated by the Group are of high-quality. The reason for the Disposal essentially about the need to reallocate the Group's management and financial resources. The proceeds from the Disposal will allow the Group to invest further capital to improve the financial and operational conditions of the Group's other seven existing schools, which require a significant amount of funding.

The Company decided to dispose of the Guangxi Schools primarily because upgrading the Guangxi Schools to an undergraduate level institution would necessitate systemic enhancements, including deepening the internal quality of education, upgrading hardware infrastructure, and elevating management capabilities. The resources and management input required will be significant and may require the Group to redirect such resources from the other existing schools operated by the Group, unless the Company can complete a significant round of fundraising in the short-term.

The Company is of the view that it is a prudent decision to reduce the number of schools operated by the Group and this is in line with the high-quality development strategy adopted by the Group. While the Company did not specifically and actively identify the Guangxi Schools as disposal targets to seek purchasers in this connection (as the Guangxi Schools has consistently played a positive role in cultivating local talents over the years), the Company was however aware of a suitable opportunity to responsibly transfer the Guangxi Schools to another capable operator, namely, the Purchaser. Similar opportunities are so far not available for other existing schools. The Company is of the view that it is in the overall interests of the students and the schools, the local community and the Shareholders of the Company for the Company to only consider disposing any schools to a new operator that has the necessary experience and resources to devote continuous, long-term management input and operational support.

The Company believes that the Purchaser is able to provide the focused and sustained support required for the high-quality development of the Guangxi Schools, primarily because an ultimate beneficial owner of the Purchaser, Mr. Li Cong possesses long-standing experience in the education industry, resource capabilities, and commitment towards continued investment and stable school operation. Mr. Li Cong is a native of Qinzhou, Guangxi. In 1993, he founded the first boarding school in Nanning, and subsequently established another reputable school in Nanning in 1994, where he has since served as chairman of the board.

The PRC education sector is currently subject to high-quality development trends, which is consistent with the overall objectives on accelerating the establishment of modern economy by the PRC government core economic growth policy of the PRC government during the 15th Five-Year Plan period and promoted by the National Development and Reform Commission (NDRC). In this connection, the Group further considered the concrete measures required for high-quality development as applied in the context of the Group's business, which shall involve enhancing efficiency and operational quality by streamlining management scale and continuously increasing investments to update the teaching quality of the Group's existing schools.

The Disposal is expected to increase the net assets of the Group by approximately RMB15.1 million, with net proceeds amounting to approximately RMB359.1 million. The proceeds will primarily be used to fund the operation of existing schools and improve the overall asset-liability structure of the Group. Currently, the Group has no plan to use the proceeds for investment in additional new schools. However, the Company does not rule out the possibility of reassessing its strategy and making appropriate adjustments as and when a suitable plan arises in the future. Upon Completion, the financial results of the Target Group will no longer be consolidated into the Group's consolidated financial statements, and the Group's asset structure will be optimized accordingly.

The Board is of the view that the Disposal enables the Group to concentrate its management resources and funds more intensively on the core capabilities of its existing institutions, aligning with the Group's long-term strategy of prioritizing high-quality development, as well as its steadfast adherence to a long-term educational philosophy. The proceeds will be entirely utilized to improve the financial and operational conditions of the Group's seven existing schools. Taken as a whole, the Disposal is conducted on normal commercial terms, and the terms of the Disposal are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

The Group is expected to record a gain of approximately RMB15.1 million from the Disposal, being the difference between the following items: (i) the Consideration; (ii) the amount of unaudited consolidated net asset value of the Target Group's equity interest as of the date of the Disposal (RMB344.0 million); and (iii) all related expenses and taxes incidental to the Disposal (RMB0.4 million). The actual gain or loss arising from the Disposal will be subject to audit by the Company's auditors and may be different from the aforementioned amount.

Based on the unaudited consolidated financial statements of the Target Group as of 29 May 2026, upon Completion, the Group's total assets are expected to decrease by approximately RMB136.6 million (subject to audit), total liabilities are expected to decrease by approximately RMB151.7 million (subject to audit), and the Group's net assets are expected to increase by approximately RMB15.1 million (subject to audit).

The net proceeds from the Disposal, after deducting the transaction cost associated with the Disposal, which are estimated at approximately RMB359.1 million, will be directed towards the day-to-day operations of the Group's existing schools and improve the overall asset-liability structure of the Group. Specifically: (i) US$10 million (approximately RMB67.7 million) to repay the Group's US dollar syndicated loan; and (ii) approximately RMB291.4 million will be allocated to supplement the working capital of existing schools by 2026, by enhancing investments in teaching quality, faculty development, campus infrastructure, and the overall experience for both students and staff, enabling us to sustain the momentum of our high quality-driven strategy while providing robust support for the continuous improvement and the stable operation of our existing schools.

Upon Completion, the Group ceased to hold any equity interests in the Target Company, and the Target Company ceased to be a consolidated affiliated entity of the Company and consolidated as a subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in relation to the transaction contemplated under the Sale and Purchase Agreement is more than 25% but less than 75%, the transaction constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder.

Since (i) no Shareholder is required to abstain from voting on the resolution at a general meeting if the Company were convened to approve the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder; and (ii) in lieu of holding a general meeting, the Company, on 29 May 2026, received the Written Shareholders' Approval in respect of the Sale and Purchase Agreement and the Disposal from Aspire Education Technology, Aspire Education Management, Aspire Education Consulting, Li Family Trust and Li & Yang Settlement, who holds a total of 86,747,243 Shares, 9,665,839 Shares, 15,158,123 Shares, 806,579,378 Shares and 67,925,651 Shares, respectively, and are parties acting in concert with each other who historically voted in the same manner on all shareholders' resolutions. As such closely allied group of Shareholders together hold an aggregate of 986,076,234 Shares (representing approximately 50.01% of the issued capital of the Company as at the date of the Written Shareholders' Approval), no general meeting is required to be convened for the approval of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

INFORMATION OF THE TARGET GROUP

The Target Company is a company established under the laws of the PRC with limited liability on 27 October 2016 and is the sole shareholder of the Guangxi School Sponsor, principally engaged in private formal higher education.

The Guangxi Schools include the following two schools.

Guangxi Yinghua International Occupation College* (廣西英華國際職業學院) was established under the laws of the PRC on 20 January 2006 and is principally engaged in higher education. As at the Latest Practicable Date, its registered capital is RMB33 million.

Guangxi Yinghua International Occupation Middle School* (廣西英華國際職業學院附屬中學) was established under the laws of the PRC on 10 April 2006 and is principally engaged in high school education. As at the Latest Practicable Date, its registered capital is RMB5 million.

Set out below is the unaudited consolidated financial information of the Target Group for the two years ended 31 August 2024 and 2025 respectively:

	For the year ended 31 August	
	2024	**2025**
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
	(approximately)	(approximately)
Revenue	160,718	162,553
Profit/(Loss) before tax	6,063	(916)
Profit/(Loss) after tax	2,981	(2,190)

The unaudited consolidated net asset value of the Target Group as at 31 August 2025 was approximately RMB317.6 million.

GENERAL

Information on the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 8 July 2016. It is an investment holding company and, together with its subsidiaries and consolidated affiliated entities, is principally engaged in private formal higher education.

Information on the Vendor

The Vendor is a company established under the laws of the PRC with limited liability on 14 March 2018 and wholly-owned by Yun Ai Group. The Vendor is a consolidated affiliated entity of the Company, principally engaged in private formal higher education.

Yun Ai Group is a company established under the laws of the PRC with limited liability on 19 September 2005. It is a consolidated affiliated entity of the Company and is principally engaged in private formal higher education.

Information on the Purchaser

The Purchaser is Guangxi Yinghua Haian Education Investment Co., Ltd. (廣西英華海岸教育投資有限公司). The Purchaser is primarily engaged in educational projects investment, educational information consulting and corporate management consulting. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, both the Purchaser and its ultimate beneficial owners, Mr. Li Cong and Ms. Chen Chunli, are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction); and (b) the Purchaser, its directors and legal representatives and any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction.

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

1. CONSOLIDATED FINANCIAL STATEMENTS

Details of the financial information of the Group for each of the financial years ended 31 August 2023, 31 August 2024 and 31 August 2025, and the six months period ended 28 February 2026 are disclosed in the following documents which have been published on both the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.xingaojiao.com):

- interim report of the Group for the six months period ended 28 February 2026 published on 28 May 2026 (pages 40 to 67) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0528/2026052801755.pdf);

- annual report of the Group for the year ended 31 August 2025 published on 30 December 2025 (pages 115 to 215) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1230/2025123001952.pdf);

- annual report of the Group for the year ended 31 August 2024 published on 30 December 2024 (pages 121 to 223) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1230/2024123001181.pdf); and

- annual report of the Group for the year ended 31 August 2023 published on 28 December 2023 (pages 119 to 221) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1228/2023122800834.pdf).

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group has unaudited total outstanding interest-bearing bank borrowings and lease liabilities as well as other borrowings of approximately RMB3,373.1 million, including secured bank borrowings of approximately RMB3,360.0 million, lease liabilities of approximately RMB11.8 million and secured other borrowings of approximately RMB1.3 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have at the close of business on 30 April 2026 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are satisfied after due and careful consideration and taking into account the present internal financial resources available to the Group, the banking facilities presently available, the effect of the transactions contemplated under the Sale and Purchase Agreement and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 August 2025, being the date to which the latest published audited consolidated accounts of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

Following the Disposal, the Group will continue to focus on its core higher education business and continue to promote the operation and development of its existing educational institutions. The Disposal will help the Group to further concentrate its management efforts, financial resources and operational capabilities to deepen the development of its existing educational institutions, and to continuously improve the quality of education and teaching, student employment outcomes, campus service experience, professional development and overall operational efficiency.

The net proceeds from the Disposal are intended to be used as general working capital of the Group to support its overall stable operation and future development. Following the completion of the Disposal, the Group will continue to adhere to a more focused, prudent and sustainable development path, and will continue to promote quality improvement, resource optimization and rational investment with a focus on its existing educational institutions. The Disposal will enable the Group to allocate resources more effectively, concentrate its efforts on enhancing the core competitiveness and long-term development quality of its continuing operations, thereby further improving the future operating prospects of the Group.

Moving forward, the Group will remain committed to implementing the high-quality development strategy, uphold the mission of "enabling every student to achieve career success and life fulfillment" and the vision of "building the most student-oriented university with a century-long vision", stick to the values of "student-oriented, contributor-based and adherence to long-termism", focus on the core demands of "better learning outcomes, higher employment quality, superior service experiences, more beautiful campus environments, stronger professional competitiveness, stronger teaching faculties" for the students, continue to increase the investment, comprehensively enhance the educational and teaching and quality of talent cultivation, serve the regional economic and social development, and contribute to the high-quality development of the nation's higher education sector.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the Sale Shares. Terms defined in this appendix apply to this appendix only.

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
308 Central Des Voeux
No. 308 Des Voeux Road Central
Hong Kong

Valuation Report
prepared for China New Higher Education Group Limited (stock code: 2001)

Valuation of 100% Equity Interest of the Songming Xinju Enterprise Management Company Limited

Strictly Confidential – For Addressee Only

Subject:
Valuation of 100% Equity Interest of Songming Xinju Enterprise Management Company Limited (嵩明新巨企業管理有限公司) and its subsidiaries (the "**Songming Xinju**")

Addressee:
40/F, Dah Sing Financial Center,
248 Queen's Rd East, Wan Chai
Hong Kong

Valuation Date:
30 April 2026

Report Date:
10 July 2026

Ref. No.:
VJ-26-0296

Contents

Executive Summary

Subject	:	Valuation of 100% Equity Interest of the Songming Xinju
Description	:	Please refer to Section 1.2 for detailed company description.
Valuation Purpose	:	Transaction and public disclosure purposes
Basis of Valuation	:	The Songming Xinju has been valued on market value basis.
		Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" in accordance with International Valuation Standards published by the International Valuation Standards Council.
Valuation Date	:	30 April 2026
Valuation Method	:	Market Approach
Currency	:	Renminbi ("**RMB**")
Valuation Conclusion	:	RMB354,000,000

This summary is strictly confidential to the addressee. It must not be copied, distributed, or considered in isolation from the full report.

1. PREAMBLES

1.1. Instruction

Vincorn Consulting and Appraisal Limited ("**Vincorn**") is pleased to submit our valuation report, which has been prepared for China New Higher Education Group Limited (the "**Instructing Party**" or the "**Company**") for transaction purposes.

The valuation has been carried out in accordance with the engagement letter dated 12 May 2026 (the "**Engagement Letter**") signed between the Instructing Party and Vincorn. The extent of our professional liability to you is outlined in the Engagement Letter.

1.2. Subject

Valuation of 100% Equity Interest in Songming Xinju Enterprise Management Company Limited (嵩明新巨企業管理有限公司) and its subsidiaries (altogether the "**Songming Xinju**")

Songming Xinju Enterprise Management Company Limited (嵩明新巨企業管理有限公司) is a limited liability company established under the laws of the PRC on 27 October 2016.

Its wholly owned subsidiary Qinzhou Yinghua Datang Education Investment Company Limited (欽州英華大唐教育投資有限公司), a limited liability company established under the laws of the PRC on 25 August 2017 is the sole sponsor of the Guangxi Schools (廣西學校) in Qinzhou City (欽州).

Guangxi Schools collectively refer to Guangxi Yinghua International Occupation College (廣西英華國際職業學院) and Guangxi Yinghua International Occupation Middle School (廣西英華國際職業學院附屬中學). Guangxi Schools are consolidated affiliated entities of the Company.

Key financial information of the Songming Xinju for the fiscal year ended 31 August 2025 and 12-month ended 30 April 2026, is set out as below.

Songming Xinju	**As at 31 August 2025**	**As at 30 April 2026**
Cash	38,232,936	70,439,471
Capital Injection Receivable [1]	–	21,320,000
Short-term Debts	1,000,000	1,000,000
Long-term Debts	67,500,000	67,000,000
Revenue	162,552,900	156,449,248
Normalized LTM EBITDA	73,366,584	63,546,032

(1) On 9 April 2026, Songming Xinju entered into an investment agreement with its existing shareholders in respect of a capital injection of RMB21.32 million.

1.3. Valuation Date

The valuation date is 30 April 2026.

1.4. Valuation Basis

The valuation has been prepared in accordance with the International Valuation Standards effective from 31 January 2025 published by the International Valuation Standards Council, where applicable.

The valuation is based on the going concern premise and conducted on a market value basis.

Market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

1.5. Currency

Unless otherwise stated, all monetary sums stated in this report are in Renminbi ("**RMB**").

1.6. General Reservations

The purposes of the valuation do not alter the approach of the valuation.

A valuation is a prediction of price, not a guarantee. By necessity, it requires valuers to make subjective judgements that, even when logical and appropriate, may differ from those made by a purchaser or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

Business values can change substantially, even over a short period of time, so our opinion of values could differ significantly if the date of valuation was to change. If you wish to rely on our valuation for any other dates, you should consult us first. We recommend that you keep the valuation under frequent review. You should not rely on this report unless any reference to the legal titles has been verified as correct by your legal advisers.

1.7. Caveats and Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

1.8. Limiting Conditions

The valuation report is subject to the limiting conditions as attached in Appendix 1.

1.9. Confidentiality

The information contained herein is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of the information contained herein.

1.10. Non-disclosure

Neither the whole nor any part of the valuation report nor any reference thereto may be included in any published documents, circulars or statements, nor published in any ways whatsoever without a prior written approval of Vincorn as to the form and context in which it may appear, except as requested by the relevant regulatory body, including the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission.

1.11. Statement of Independence

We hereby certify that we have neither present nor prospective interest in China New Higher Education Group Limited, the Songming Xinju, their respective subsidiaries and associated companies or the result reported. In addition, our directors are neither directors, supervisors nor officers of China New Higher Education Group Limited or the Songming Xinju.

In the course of our valuation, we are acting independently of all parties. Our fees are agreed on a lump-sum basis and are not correlated with the results of our valuation.

2. SCOPE OF WORK

Our valuation conclusion is based on the assumptions stated herein and on information provided by the management of the Company, and/or its representative (together referred to as the "**Management**").

In the course of our valuation, the following processes have been conducted to evaluate the information provided by the Management:

- Discussion with the Management and obtained relevant information in respect of the Songming Xinju;
- Examined the relevant basis and assumptions of the financial information in respect of the Songming Xinju provided by the Management;
- Conducted appropriate researches to obtain sufficient market data and statistical figures and prepared the valuation based on generally accepted valuation procedures and practices; and
- Arriving at our valuation opinion based on the assumptions stated in this report and on information provided by the Management.

We have conducted separate on-site inspection as part of the agreed-upon procedures for this valuation task.

3. SOURCES OF INFORMATION

In conducting our valuation of the Songming Xinju, we have considered, reviewed, and relied upon the following key information which is available to the public or provided by the Management:

- Background of the Songming Xinju and relevant corporate information;
- Historical consolidated financial statements of the Songming Xinju for the financial year ended 31 August 2025 as well as for the 12-month period ended 30 April 2026;
- Relevant documents in relation to the transaction; and
- S&P Capital IQ database and other reliable sources.

4. VALUATION ASSUMPTION AND RATIONALE

For the purpose of determining the equity interest of the Songming Xinju, we have considered all the prominent factors affecting the value and assumed, including but not limited to, the following:

- We have assumed that there will be no material change in the existing political, taxation, legal, technological, fiscal, or economic conditions, which might adversely affect the business of the Songming Xinju;
- We have assumed that the conditions in which the Songming Xinju is operated, and which are material to revenue and costs of the businesses of the Songming Xinju will have no material change;
- We have assumed that the information has been prepared on a reasonable basis after due and careful consideration by the Client;
- We have assumed that competent management, key personnel, and technical staff will be maintained to support the ongoing operation and development of the Songming Xinju;
- We have assumed that all licenses and permits that is essential for the operation of the Songming Xinju can be obtained and are renewable upon expiry; and
- We have assumed that there are no hidden or unexpected conditions associated with the businesses valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

5. VALUATION METHODOLOGY

5.1. Selection of Valuation Approach

There are three generally accepted approaches to assess the equity interest of the Songming Xinju, namely, Market Approach, Asset-based Approach, and Income Approach. Each of these approaches is appropriate in one or more circumstances. Whether to adopt a particular approach will be determined with reference to the most common adoption when similar subjects are being valued.

Market Approach

Market Approach values assets based on comparison with recent market transactions of selling similar assets. Market Approach values a business entity by comparison of the prices at which other similar business nature companies or interests changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to pay for an equally desirable alternative.

As advised by the Company, the Songming Xinju is expected to sustain its existing business operations in the foreseeable future. Therefore, we have considered that market approach is the most optimal approach for valuing the Songming Xinju.

Asset-based Approach

The Asset-based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals to the value of its invested capital (equity and debt capital). In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed. This money comes from investors who buy stocks of the business entity (equity) and investors who lend money to the business entity (debt). After collecting the total amounts of money from equity and debt and converted into various types of assets of the business entity for its operation, the sum of such assets equals the value of the business entity.

We have considered but decided against Asset-based Approach as this approach disregards the future profit potentials of the Songming Xinju. Therefore, Asset-based Approach is not appropriate to estimate the equity interest of the Songming Xinju and is not adopted in our valuation.

Income Approach

Income approach values assets with reference to the capitalized value of income, cash flows or cost savings that could hypothetically be earned or achieved by a market participant owing the assets.

The principle of this approach is that the value of the asset can be measured by the present worth of the economic benefits to be received over the asset life. This approach estimates the future economic benefits and discounts these benefits to their present value using an appropriate discount rate for all risks associated with realizing those benefits. We have also considered that the income approach is not optimal to value the Songming Xinju as this approach involves financial forecast information and the adoption of more assumptions than the other two approaches, not all of which can be easily justified or ascertained.

5.2. Valuation of the Market Value of the Songming Xinju

There are two methods under the Market Approach, namely Guideline Transaction Method and Guideline Public Company Method.

Guideline Transaction Method (GTM)

Under the GTM, market value of the equity is based on the reported sale of companies and determines the value of a business by comparing it to transaction data from similar companies that have recently completed. However, for this particular valuation exercise, sufficient number and timely information of such kind of transaction is not available to us. Therefore, GTM is not adopted.

Guideline Public Company Method (GPCM)

The premise behind the GPCM is that the prices of publicly traded stocks in the same or a similar industry provide objective evidence as to the values at which investors are willing to buy and sell the interest of the companies in that industry. In applying GPCM, we compute a valuation multiple for various benefit streams for each guideline public company. The appropriate valuation multiple is determined and adjusted for the unique aspects of the Songming Xinju being valued. This valuation multiple is then applied to the Songming Xinju to arrive at an estimate of value for the appropriate ownership interest. A valuation multiple represents a ratio that uses a comparable company's value as at the Valuation Date as the numerator and the comparable company's operating results (or financial position) as the denominator.

We have considered the following market multiple for the purpose of valuation, Price to Last Twelve Months ("**LTM**") earnings ("**P/E**"), Price to Net Book Value ("**P/B**"), Enterprise Value to LTM Sales ("**EV/S**") and Enterprise Value to LTM Earnings Before Interest, Taxes, Depreciation and Amortization ("**EV/EBITDA**").

P/E is considered not suitable and not selected as it does not capture the financial leverage and other related risk feature across the companies, also the net profit is easily subject to the manipulation.

P/B is considered not suitable as it is common for asset intensive industries, and it does not account for intangible assets as usual.

EV/S is not adopted either as it does not take the profitability of the Songming Xinju into consideration. With the expectation from the Management, the Songming Xinju is capable to generate and maintain current profits in the future. Therefore, using the revenues to determine the value of the Songming Xinju is relatively less representative.

EV/EBITDA multiple is suitable because the Songming Xinju is a mature, stable-growth business with predictable capital-expenditure needs. EV/EBITDA multiple is better at capturing the profitability of companies whereas EV/S multiple focuses on the top-line revenue only.

Therefore, EV/EBITDA multiple is considered appropriate in this valuation.

Once we have selected certain guideline public companies and made the necessary adjustments to their financial information when needed, the next step is to determine and compute the appropriate valuation multiples, and the calculation method is the same for all selected guideline public companies. The process of computing the valuation multiple in this case consists of the following procedures:

a) Determination of the enterprise value for each guideline public companies as at the Valuation Date. The enterprise value for each guideline public companies is made reference to S&P Capital IQ as of the Valuation Date.

b) Determination of LTM EBITDA as of the Valuation Date. The LTM EBITDA for each guideline public companies are made reference to S&P Capital IQ and represents the denominator of the valuation multiple.

The application of this method depends on the selection of guideline public companies that are similar enough to the underlying business of the Songming Xinju so as to provide a meaningful comparison. We exercised due care in the selection of guideline public companies by using reasonable criteria in deciding whether a particular guideline public company is relevant. When the similarity between the Songming Xinju and the guideline public companies is so low that a meaningful comparison cannot be made, we would then question the use of GPCM.

The comparable companies for deriving the ratio

Due care was exercised in the selection of guideline public companies by using reasonable criteria in deciding whether or not a particular company is relevant. In selecting the guideline public companies, we started with the description of the potential companies, in terms of lines of business, financial results and other criteria. In order to comprise a representative set of guideline public companies to derive the valuation result, certain criteria have to be set to ensure similarity between the guideline public companies and the Songming Xinju.

Firstly, our focus is to identify listed companies which engaged in the operation of secondary schools and tertiary colleges since the principal business of the Songming Xinju is mainly the operation of secondary schools, tertiary and vocational colleges, and these companies should be listed in the stock exchange. As a result, listed companies with similar business exposure in relation to the principal activity of the Songming Xinju are identified. We consider this selection basis is reasonable and the sample list is fair and representative. As a result, the comparable companies were selected with reference to the criteria as follows:

- The comparable companies are principally engaged in the same industry of the Songming Xinju, i.e. over 80% revenue percentage from secondary schools, tertiary and/or vocational education;
- The comparable companies are based and operate in mainland China;
- The comparable companies are listed on the Stock Exchange of Hong Kong and still in active trading as of the Valuation Date;
- The comparable companies have a market capitalization of below RMB1 billion as of the Valuation Date*;
- The comparable companies have sufficient operating histories; and
- The financial information of the comparable companies, including EV/EBITDA multiple, is available to the public and/or S&P Capital IQ database.

* *Comparable companies can be of significantly different sizes from the Songming Xinju. Larger companies generally have lower expected returns & risks that translate into higher values. Smaller companies are generally perceived as riskier in relation to business operations and financial performance, and therefore the expected returns are higher and multiples are lower. As such, market capitalization was adopted as one of the criteria for selecting comparable companies. Companies with market capitalization over RMB1 billion – rounded up from the upper limit of US$146 million for the CRSP Deciles Size Study (i.e. the smallest 5% of US listed companies, source: Kroll Cost of Capital – CRSP Deciles Size Study (2025) by Kroll, LLC., which is a commonly used statistical study on company sizes by global valuers.) – were considered to be materially larger than the Songming Xinju and not considered as comparable.*

We then identified 8 guideline public companies to be comparable to the Songming Xinju with the aforesaid criteria, and calculated EV/EBITDA ratio for each guideline public companies. The following is the list of the guideline public companies that we have selected in connection with the valuation of the Songming Xinju.

Details of the Comparable Companies are summarised as follows:

Details of Comparable Companies

Company Name	Ticker	Business Description
Edvantage Group Holdings Limited	SEHK: 382	Edvantage Group Holdings Limited, an investment holding company, operates private higher and vocational education institutions in the People's Republic of China, Australia, and Singapore. It operates through PRC higher education and vocational education and Overseas higher education and vocational education segments. The company offers management, education consulting, IT consultation, property management and landscaping, language training, science and technology promotion and application, advertisement design, and technician education services, as well as develops and retails software products and provides school supplies. It also involved in the software and information technology; commercial service industry; planning and design management; estate management; food internet sales; and information consultation business. Edvantage Group Holdings Limited was founded in 2003 and is headquartered in Guangzhou, China. Edvantage Group Holdings Limited is a subsidiary of Debo Education Investments Holdings Limited.

Company Name	Ticker	Business Description
Minsheng Education Group Company Limited	SEHK: 1569	Minsheng Education Group Company Limited, an investment holding company, provides educational services in the People's Republic of China. It operates in two segments, On-campus Education and Online Education. The company offers online education services for higher academic continuing education and postgraduate education; postgraduate management education services; and vocational ability improvement and training services, including teacher continuing education training, information technology vocational training, and cloud training. It also provides human resources; integration of digital intelligence, industry, and education; education informatization; examination and evaluation; and international education services. In addition, the company provides high school education, education consulting and management, formal undergraduate college education, asset management, project investment and management, technology development, intermediary, advertising, software and information technology, SaaS service and human resource compliance consultative, self-study examination assistance, university logistics, and educational software development and other related services. Further, it is involved in organising cultural and artistic exchange activities; and operates public service system for distance education. The company was founded in 1998 and is headquartered in Beijing, China. Minsheng Education Group Company Limited is a subsidiary of Minsheng Group Company Limited.
Shanghai Gench Education Group Limited	SEHK: 1525	Shanghai Gench Education Group Limited, an investment holding company, provides higher education services in the People's Republic of China. The company primarily operates a private university in Shanghai. It provides education services and common undergraduate education services. The company offers formal undergraduate program and junior college program. In addition, it offers logistics management services; degree-granting higher education institution services; common undergraduate education services; enterprise services; business management services; catering management services; self-study examination tutorial services; cultural communication services; and cultural media services. The company was founded in 1999 and is headquartered in Shanghai, China.

Company Name	Ticker	Business Description
Leader Education Limited	SEHK: 1449	Leader Education Limited, an investment holding company, engages in the provision of private higher education services in China. It also provides private vocational education services, technical, education, enterprise business, and management consultancy, as well as education management and artificial intelligence services. Leader Education Limited was incorporated in 2019 and is headquartered in Harbin, China.
China Science and Education Industry Group Limited	SEHK: 1756	China Science and Education Industry Group Limited, an investment holding company, provides private higher education and vocational education services in the People's Republic of China. The company offers applied science-focused and practice-oriented programs; and tuition and student accommodation services. It also operates schools under the Huali College, Huali Vocational College, and Huali Technician College names. In addition, the company engages in the provision of property management and education support services; operation of a motor vehicle driver training school; and school sponsor activities. The company was formerly known as China Vocational Education Holdings Limited and changed its name to China Science and Education Industry Group Limited in February 2025. China Science and Education Industry Group Limited was founded in 2000 and is headquartered in Guangzhou, China.
Virscend Education Company Limited	SEHK:1565	Virscend Education Company Limited, an investment holding company, provides private education services in the People's Republic of China. The company provides high school, higher education, and non-formal education services. It also offers educational management and consultation services to schools, including middle and high schools, K-9 schools, K-12 schools, and kindergartens. In addition, the company provides university education, non-subject based and after-class, and tutoring education services, as well as education investing and management services. Virscend Education Company Limited was founded in 2000 and is headquartered in Chengdu, China.

Company Name	Ticker	Business Description
Bojun Education Company Limited	SEHK: 1758	Bojun Education Company Limited, an investment holding company, provides education services in China. It operates through three segments: provision of profit-making kindergarten and the provision of high school education services; the provision of vocational education services; and provision of education consultancy and management services. The company provides education services to kindergarten, as well as preschool, primary, middle, and high school students. It also provides eco-tourism agriculture, and exhibition services. Bojun Education Company Limited was founded in 2001 and is headquartered in Chengdu, China.
South China Vocational Education Group Company Limited	SEHK: 6913	South China Vocational Education Group Company Limited provides private higher vocational education. The company provides vocational education and training, technician training, competition training, skill evaluation, employment service, and entrepreneurship incubation. It also operates schools, including Guangdong Lingnan Institute of Technology and Guangdong Lingnan Modern Technician College. In addition, it offers ancillary education services comprising continuing education programs and other education services, such as test preparation and training services to the students for occupational skills appraisal, and professional qualification and certificates. Further, the company provides junior college education, technical education, motor vehicles driving training, and management services, as well as education management services. The company was founded in 1993 and is headquartered in Guangzhou, China.

Source: S&P Capital IQ and financial reports of the Comparable Companies

The above comparable companies, together with the Songming Xinju, are similar in terms of principal business and geographical location of operation. Thus, we consider they are confronted with similar industry risks and returns. Detailed calculations of the valuation multiples of the Comparable Companies are as follows.

Detailed Calculations of Valuation Multiples of comparable companies

Stock Code	Reporting Currency	Market Capitalization (Reporting Currency, million)	Enterprise Value (Reporting Currency, million)[1]	LTM EBITDA (Reporting Currency, million)	EV/EBITDA Ratio[2]
SEHK:382	RMB	815.16	1,915.83	601.44	3.19x
SEHK:1569	RMB	499.94	1,801.12	101.01	17.83x
SEHK:1525	RMB	711.74	385.05	416.99	0.92x
SEHK:1449	RMB	153.98	1,398.67	140.26	9.97x
SEHK:1756	RMB	575.24	2,276.32	613.67	3.71x
SEHK:1565	RMB	519.57	2,511.94	346.51	7.25x
SEHK:1758	RMB	100.76	2,822.16	51.67	54.62x
SEHK:6913	RMB	225.56	186.05	87.20	2.13x

Notes:

1. The figures are rounded to the nearest ten thousand.

2. The EV/EBITDA multiples are calculated by dividing Enterprise Value of the Comparable Companies by its respective LTM EBITDA as of the Valuation Date as extracted from S&P Capital IQ.

*Discount for Lack of Marketability (“**DLOM**”)*

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

In the valuation, discount for lack of marketability is referenced to the research of “Stout Restricted Stock Study Companion Guide 2025 Edition”. A discount for lack of marketability of 20.4% was adopted.

*Control Premium (“**CP**”)*

CP is applied to reflect differences between the comparables and the subject asset with regard to the ability to make decisions. Control Premium is defined as the additional consideration that an investor would pay over a marketable minority equity value in order to own a controlling interest in the common stock of a company. Controlling shareholders usually have the ability to dictate the future strategic direction of the company, the election of directors, the nature, quantum and timing of their return on investment, or even the sale of their own shares. This control enhances the value of the controlling equity position against the total enterprise value of the company.

As the Songming Xinju is 100% equity interest, which reflects a controlling interest, while the EV/EBITDA multiples of the market comparables are derived from trading prices of non-controlling shares, Control Premium is applicable to calculate the Market Value of the Songming Xinju.

The control premium of 19.4% applied in this valuation is supported by empirical transaction data. Our analysis primarily references the transaction dataset from the FactSet/BVR Control Premium Study published by Business Valuation Resources, LLC, supplemented by an examination of observable market transactions involving controlling interests in Hong Kong listed companies.

The observed control premiums within the studied dataset for relevant transactions range from 11.5% to 31.5% and mean of 19.4% from this range was adopted. Mean is considered an appropriate measure of central tendency in this context, as it reflects the aggregate pricing outcome of all observed transactions and is a standard benchmark frequently utilized in valuation practice for deriving a market-based premium.

Summary of the Songming Xinju Valuation

Calculation details of the Market Value of the Songming Xinju as of the Valuation Date are as follows.

Summary of the Songming Xinju Valuation

	RMB
EV/EBITDA Multiple	5.48x
Normalised LTM EBITDA as of 30 April 2026	63,546,032
Enterprise Value	348,188,286
Add: Cash	70,439,471
Add: Capital Injection Receivable	21,320,000
Less: Debts	(68,000,000)
Equity Value before DLOM and CP	371,947,757
Less: DLOM (20.4%)	(75,877,342)
Market Value of the Songming Xinju after DLOM and before CP	296,070,414
Add: CP (19.4%)	57,437,660
Market Value of the Songming Xinju	353,508,075
Market Value of the Songming Xinju (rounded)	**354,000,000**

Note:

1. Financial data of the Songming Xinju is extracted from its management accounts as of the Valuation Date.

2. Figures may not sum up due to rounding.

6. VALUATION CONCLUSION

In our opinion, on the basis of the assumptions and information make available to us, the market value of 100% equity interest of the Songming Xinju as of 30 April 2026 is reasonably estimated at:

RMB354,000,000
(RENMINBI THREE HUNDRED AND FIFTY FOUR MILLION)

Signed for and on behalf of Vincorn Consulting and Appraisal Limited

Freddie Chan
CFA ACCA FRM MRICS
Certified ESG Planner CEP®
RICS Registered Valuer
Executive Director

Vincent Cheung
BSc (Hons) MBA FHKIS FRICS R.P.S. (GP)
MCIREA
MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Certified ESG Planner CEP®
Managing Director

Note:

Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a fellow of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 28 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Freddie Chan is a member of the Chartered Financial Analyst (CFA) Institute, Member of Association of Chartered Certified Accountants (ACCA), Financial Risk Manager (FRM), Member of the Royal Institution of Chartered Surveyors (MRICS), a Certified ESG Planner CEP® and Registered Valuer of the RICS. He is suitably qualified to carry out the valuation and has over 17 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Appendix 1

Limiting Conditions

1. PRELIMINARY

1.1 These general terms and conditions (the "**Terms and Conditions**") shall apply to all forms of professional services, provided by Vincorn Consulting and Appraisal Limited, ("**we**", "**us**" or the "**Firm**") to the client to whom the service agreement is sent (the "**client**" or "**you**"). They shall apply separately to each service provided to you.

1.2 The Terms and Conditions are to be read in conjunction with the service agreement (the "**Agreement**") sent by us to you. In the event of any ambiguity or conflict between the Agreement and these Terms and Conditions, the provisions in the Agreement shall prevail. These Terms and Conditions and the Agreement may only be varied in writing by agreement between the parties.

2. PERFORMANCE OF THE SERVICES

2.1 We undertake to use all reasonable skill and care in providing the services and advice described in the instruction given by you (the "**Services**"). We will inform you if it becomes apparent that the Services need to be varied or external third party advice is required. Any variation is to be confirmed in writing.

2.2 We may need to appoint third party providers to perform all or part of the Services and we shall agree this with you in advance.

2.3 Where matters beyond the control of ourselves cause delay to the performance of the services we will notify the client as soon as we become aware of the situation. The client agrees that we will not be held responsible for such delay.

3. BASIS OF FEES

3.1 The basis of our fees for our Services is set out in the Agreement.

3.2 When applicable, VAT shall be payable by you in addition to any fees or disbursements invoiced at the applicable rate.

3.3 You shall pay our fees on completion of our Services (whether or not additional work is still to be carried out by third parties) or, where the fees are in relation to an ongoing instruction or an instruction of a duration of more than three months, at least quarterly in arrears upon submission by us of quarterly fee accounts. Payment is due within 30 days of the invoice date.

3.4 Where valuations are undertaken for a lender for financing purposes and it is agreed that a borrower will pay our fee, you shall remain primarily liable to pay our fee should such borrower fail to meet its liabilities to us in full. Payment of our fees is not conditional upon the loan being drawn down or any of the conditions of the loan being met.

3.5 If you do not dispute with us an invoice or any part thereof within 30 days of the date of such invoice, you shall be deemed to have accepted the invoice in its entirety.

3.6 If we are required by you to undertake additional work in relation to an instruction, you shall pay additional fees based upon our usual rates. We will notify you of the amount of such additional fees.

3.7 Where there is a change to the stated purpose for which our valuation is being commissioned and in our sole opinion, we deem this to result in an increase in our liability (for example a valuation for accounting purposes being used for financing purposes), we reserve the right to charge an additional fee.

3.8 In the event that you withdraw our instructions prior to completion of a valuation, you shall be liable to pay us for a fair and reasonable proportion of our fees and any agreed disbursements. If we have sent you a draft report, such fees shall be subject to a minimum of 80% of the fee originally agreed between us.

3.9 We will advise you in advance if it is necessary or convenient to instruct a third party to provide advice or to act as an expert or arbitrator and provide an estimate of the likely cost. If you approve, either verbally or in writing, that the third party be instructed, we will instruct the party as agent on your behalf and request that all the third party's invoices be addressed to you. If we are requested by you to advance payment of the third party invoices, you shall be obliged to reimburse the advance payment made and pay a handling charge.

3.10 Where we are instructed to provide Services to one of your subsidiaries or associate/related entities or should you subsequently request that another entity be substituted for you at a later stage and we are unable to seek or obtain payment of any outstanding monies for whatever reason, you shall remain primarily liable to pay those outstanding monies if the subsidiary, associate/related or other entity does not meet its liabilities in relation to the Services.

4. INTEREST

4.1 You shall pay interest on the amount of any invoice for fees or other disbursements that remain unpaid for 30 days after the date of the invoice. Interest shall be payable at the prime lending rate published by the Hong Kong and Shanghai Banking Corporation from the date of the invoice until payment is made whether after or before judgement.

5. DISBURSEMENTS

5.1 You shall reimburse disbursements incurred in the provision of the Services quarterly in arrears from the date they were incurred. These include, for example, maps, plans, research, photography, copying of documents or plans, messenger delivery, costs of obtaining records of companies or assets, demographic or other similar information, any reproduction, copying or other royalties incurred, additional bound copy reports, costs of external information/references obtained, travel and subsistence expenses at their actual cost and car mileage at the reasonable scales.

6. INFORMATION RECEIVED FROM THE CLIENT

6.1 We will take all reasonable steps to ensure property information is accurate where we are responsible for its preparation. Where you provide us with any information on a property that is necessary or convenient to enable us to provide the Services properly, you are aware that we will rely on the accuracy, completeness and consistency of any information supplied by you or on your behalf and, unless specifically instructed otherwise in writing, we will not carry out any investigation to verify such information. We accept no liability for any inaccuracy or omission contained in information disclosed by you or a third party on your behalf, whether prepared directly by you or by that third party, and whether or not supplied directly to us by that third party, and you shall indemnify us should any such liability arise. Also, in any circumstances, you accept that full investigation of the legal title and any leases is the responsibility of your lawyers.

7. CONFLICTS OF INTEREST

7.1 We have conflict management procedures designed to prevent us acting for one client in a matter where there is or could be a conflict with the interest of another client for whom we are acting. If you are aware or become aware of a possible conflict of this type, please raise it immediately with us. If a conflict of this nature arises, then we will decide, taking account of legal constraints, relevant regulatory body rules and your and the other client's interests and wishes, whether we can continue to act for both parties (e.g. through the use of separate teams with appropriate Chinese Walls), for one only or for neither. Where we do not believe that any potential or actual conflict of interest can be managed appropriately, we will inform you and consult with you as soon as reasonably practicable.

8. MANAGEMENT OF THE ASSET

8.1 We shall not be responsible for the management of the asset nor have any other responsibility (such as maintenance or repair) in relation to the asset. We shall not be liable for any damage that may occur to the asset which we are providing services for. The asset shall be your sole responsibility.

9. VALUATION BASIS AND ASSUMPTIONS

Valuation Date

9.1 Unless we have said otherwise within the Agreement or our report, the valuation date will be the date of our report.

Basis of Valuation

9.2 Unless we have said otherwise within the Agreement or our report, the valuation will be prepared in accordance with the prevailing International Valuation Standards ("**IVS**") published by the International Valuation Standards Council.

9.3 Each property will be valued on a basis appropriate to the purpose of the valuation, in accordance with the IVS. The basis of valuation that we will adopt for each property is specified in the Agreement and our report.

9.4 When assessing Market Value for balance sheet purposes, we will not include directly attributable acquisition or disposal costs in our valuation. Where you have asked us to reflect costs, they will be stated separately.

Specialised Asset

9.5 In the case of Specialised Asset (where valuation methods such as market comparison or an income (profits) test cannot be reliably applied), we may use Cost Approach as a method of estimating Market Value. The valuation using this method of an asset in the private sector will include a statement that it is subject to the adequate profitability of the business, paying due regard to the value of the total assets employed. If the asset is in the public sector, the valuation will include a statement that it is subject to the prospect and viability of the continued occupation and use. Any writing down of a valuation derived solely from Cost Approach to reflect the profitability/viability of the entity in occupation is a matter for the occupier.

Specialised Trading Asset

9.6 Where appropriate, specialised trading assets will be valued on the basis of Market Value as a fully equipped operational entity, having regard to trading potential.

9.7 Where we are instructed to value an operational asset with regard to its trading potential, we will take account of any trading information that either the operator has supplied to us or that we have obtained from our own enquiries. We will rely on this being correct and complete and on there being no undisclosed matters that could affect our valuation. The valuation will be based on our opinion as to future trading potential and the level of turnover and net operating income likely to be achieved by a reasonably efficient operator.

9.8 Unless we have said otherwise within the Agreement or our report:–

(i) the valuation will be made on the basis that each asset will be sold as a whole including all fixtures, fittings, stock and goodwill;

(ii) we will assume that the new owner will normally engage the existing staff and the new management will have the benefit of existing and future bookings or occupational agreements (which may be an important feature of the continuing operation), together with all existing statutory consents, operational permits and licences;

(iii) we will assume that all assets and equipment are fully owned by the operator and are not subject to separate finance leases or charges;

(iv) we will exclude any consumable items and stock in trade; and

(v) we will assume that all goodwill for an asset is tied to the asset itself and does not represent personal goodwill to the operator.

Real Property

9.9 Unless otherwise advised by you in writing, we will provide the Services in relation to any real properties on the assumption that:–

(i) the property and any existing buildings are free from any defect whatsoever;

(ii) all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual effect on building costs, property values or viability of any development or existing buildings;

(iii) all the building services (such as lifts, electrical, gas, plumbing, heating, drainage and air conditioning installations and security systems) and property services (such as incoming mains, waste, drains, utility supplies, etc) are in good working order without any defect whatsoever;

(iv) roads and sewers serving the property have been adopted and that the property has all necessary rights of access over common estate roads, paths, corridors and stairways and to use common parking areas, loading areas and other facilities;

(v) there are no environmental matters (including but not limited to actual or potential land, air or water contamination, or by asbestos or any other harmful or hazardous substance) that would affect the property, any development or any existing buildings on the property in respect of which the Services are provided or any adjoining property, and that we shall not be responsible for any investigations into the existence of the same and that you are responsible for making such investigations;

(vi) any building, the building services and the property services comply with all applicable current regulations (including fire and health and safety regulations);

(vii) the property and any existing building comply with all planning and building regulations, have the benefit of appropriate planning consents or other statutory authorisation for the current use and no adverse planning conditions or restrictions apply (which includes, but is not limited to, threat of or actual compulsory purchase order);

(viii) appropriate insurance cover is, and will continue to be, available on commercially acceptable terms for any building incorporating types of construction or materials which may pose an increased fire or health and safety risk, or where there may be an increased risk of terrorism, flooding or a rising water table;

(ix) items of plant and machinery that usually comprise part of the property on an assumed sale are included in the property but items of plant and machinery that are associated with the process being carried on in the property or tenants trade fixtures and fittings are excluded from the property;

(x) in reflecting the development potential of any property, that all structures will be completed using good quality materials and first class workmanship;

(xi) any occupational leases are on full repairing and insuring terms, with no unusually onerous provisions or covenants that would affect value;

(xii) in respect of any lease renewals or rent reviews, all notices have been served validly within any time limits;

(xiii) vacant possession can be assumed for a premises which is currently occupied by the landlord or a tenant; and

(xiv) any mineral rights are excluded from the property.

9.10 We will not carry out a structural survey of any property nor will we test services. Further, no inspection will be made of the woodwork and other parts of the structures which are covered, unexposed or inaccessible. In the absence of information to the contrary, the valuation will be on the basis that the property is free from defect. However, the value will reflect the apparent general state of repair of the property noted during inspection, but we do not give any warranty as to the condition of the structure, foundations, soil and services. Our report should not be taken or interpreted as giving any opinion or warranty as to the structural condition or state of repair of the property, nor should such an opinion be implied.

9.11 If we give the age of a building in our report, this will be an estimate and for guidance only.

9.12 Where we are required to measure a property we will generally do so in accordance with the Code of Measuring Practice published by the Royal Institution of Chartered Surveyors. However, you should specifically note that the floor areas contained in any report we may publish are approximate and if measured by us will be within a reasonable range of tolerance either way. In cases where the configuration of the floor plate is unusually irregular or is obstructed, this tolerance may be significant.

9.13 We will not be able to measure areas that we are unable to access. In these cases we may estimate floor areas from plans or by extrapolation. Where we are required to measure land or site areas, the areas will be approximate and will be measured from plans supplied or registered. They will not be physically checked on site.

9.14 The areas we report will be appropriate for the valuation purposes, but should not be relied upon for any other purposes.

9.15 Unless specifically instructed in writing to make formal searches with local planning authorities, we shall rely in the provision of our Services for a property on the information provided informally by the local planning authority or its officers. We recommend that your lawyers be instructed to confirm the planning position relating to the property and review our comments on planning in the light of their findings.

9.16 We may consider the possibility of alternative uses of a property being permitted. Unless otherwise notified by you in writing, we shall assume that the property and any existing buildings comply with all planning and building regulations existing uses have the benefit of appropriate planning consent or other statutory authorisation, and that no adverse planning conditions or restrictions apply.

9.17 We will not inspect title deeds of a property and we will therefore rely on the information supplied as being correct and complete. In the absence of information to the contrary, we will assume the absence of unusually onerous restrictions, covenants or other encumbrances and that the property has a good and marketable title. Where supplied with legal documentation, we will consider it but we will not take responsibility for the legal interpretation of it.

9.18 You should confirm to us in writing if you require us to read leases of a property and if so, provide all the relevant documentation within a reasonable time for consideration bearing in mind the date for receipt of our report. You should not rely upon our interpretation of the leases without first obtaining the advice of your lawyers.

9.19 We will take into account any information of a property that you provide concerning any tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, we will assume that the property was let with all alterations and improvements evident during our inspection (or, in the case of valuation without inspection, as described within the information that you provide).

9.20 Our valuation for a property will take into account potential purchasers' likely opinion of the financial strength of tenants. However, we will not undertake any detailed investigations on the covenant strength of the tenants. Unless informed to the contrary by you, we will assume that there are no significant arrears and that the tenants are able to meet their obligations under their leases or agreements.

9.21 Any plans we provide to you indicating the site of a property are for identification only. We will rely on our inspection and information that you provide in outlining the extent of each property, but you should not rely upon our plans to define boundaries.

9.22 For a recently completed development property, we will not take account of any retentions or outstanding development costs. For a property in the course of development, we will reflect your advice on the stage of construction, the costs already incurred and those still to be spent at the valuation date, and will have regard to any contractual liabilities.

9.23 We will not make any allowance in any valuation advice provided for the expenses of realisation or any taxation liability arising from the sale or development of the property.

Comparable

9.24 Where comparable evidence information is included in our report, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe its general accuracy or where it was in accordance with expectation.

Portfolio

9.25 Unless we have said otherwise in the Agreement or our report, each asset will be valued individually; in the case of a portfolio, we will assume that the assets would be marketed in an orderly way and not placed on the market at the same time.

Currency

9.26 We will value in the local currency. If we are to report to you in another currency, unless we have agreed otherwise we will adopt a conversion rate equivalent to the closing rate ("**spot rate**") on the valuation date.

9.27 Our valuation does not make allowance either for the cost of transferring sale proceeds to another state, or for any restrictions on doing so.

Reinstatement Cost

9.28 In instances where we are instructed to provide an indication of current reinstatement cost for fire insurance purposes, this will be given solely as a guide without warranty. Formal estimates for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of costs.

10. REGULATED PURPOSE VALUATION

10.1 In circumstances where a valuation, although provided for a client, may also be of use to third parties, for instance the shareholders in a company (known as a "**Regulated Purpose Valuation**"), we will state our policy on the rotation of the valuer who prepares the valuation and the quality control procedures that are in place.

10.2 Irrespective of the purpose of the valuation, we will select the most appropriate valuer for the valuation having regard to his/her expertise and the possible perception that independence and objectivity could be compromised where a valuer has held the responsibility for a particular client for a number of years. This may result in us rotating the valuer responsible for repeat valuations for the same client although we will not do so without prior discussion with the client.

11. TERMINATION BY NOTICE

11.1 Unless a fixed period has been agreed, either party may terminate the instruction by giving 14 days' notice in writing to the other party.

11.2 In the event of termination by notice, you shall be obliged to pay forthwith all the fees accrued in relation to the Services and work performed up to the date of termination (and any agreed abort fee) (the "**Termination Fees**") plus any expenses or disbursements incurred by us or to which we are committed at the date of termination.

12. PROFESSIONAL LIABILITY

12.1 Subject to the provisions in these Terms and Conditions and the Agreement, our total aggregate liability (including that of our directors and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Services shall be limited to an aggregate sum not exceeding three times the fee paid for each instruction accepted. Neither party hereto shall be liable to the other for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct, indirect or consequential, or any claims for consequential compensation whatsoever (however caused) which arise out of or in connection with the Services.

12.2 For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets.

12.3 Nothing in these Terms and Conditions excludes or limits our liability for (i) death or personal injury caused by our negligence (ii) any matter which it would be illegal for us to exclude or attempt to exclude our liability or (iii) fraud or fraudulent misrepresentation.

12.4 Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.

12.5 Save in respect of third parties directly instructed by us and/or on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our Services to you.

12.6 We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

12.7 To cover any liability that might be incurred by us, we confirm that we will maintain professional indemnity insurance through a third party insurance company.

12.8 Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the Services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue to us and we may revise the pricing structure to reflect the varied level of our liability or professional indemnity cover.

12.9 Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However in the event of us being asked by you to readdress our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to an additional fee to be proposed by us.

12.10 Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of instruction between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.

12.11 Where you provide a copy of and/or permit another party or parties, other than your affiliates, to rely upon our report without obtaining our express written consent (in accordance with clause 12.5 above), you agree to indemnify us (subject to Section 12.1 hereof) for any and all liability which arises from the use of or reliance upon our report by such unauthorised party.

13. QUALITY OF SERVICE

13.1 All our reports are signed by a qualified professional of the Firm whose responsibility it is to ensure that all relevant quality control procedures have been complied with.

13.2 While we seek to provide high quality Services, if a client has cause for complaint we have the Standard Complaint Handling Procedure to cope with that.

14. DATA PROTECTION

14.1 We are a data controller of all personal data collected during the provision of the Services. We shall use such personal data and information we obtain from other sources for providing the Services, for administration and customer services, for marketing and to analyse your preferences. We may keep such personal data for a reasonable period for these purposes. We may need to share personal data with our service providers and agents for these purposes. We may disclose personal data in order to comply with a legal or regulatory obligation and you may request, in writing and upon payment of a fee, a copy of the details held about you by us.

14.2 To help us to make credit decisions about you, to prevent fraud, to check identity and to prevent money laundering, we may search the files of credit reference agencies and we may also disclose details of how you conduct your account to such agencies.

14.3 We may share personal data within our international partnerships, group companies and affiliated organisations and with our business partners for marketing purposes, which may be to countries or jurisdictions which do not provide the same level of data protection as the country in which you are based, or we may send you and your employees information about other organisations' goods and services. We or any business partners may contact you and your employees, directly or via our agents, by mail, telephone, fax, email, SMS or other electronic messaging service with offers of goods and services or information that may be of interest. By providing us with your or your employees' personal data (whether that data is deemed sensitive or not) including fax numbers, telephone numbers or email addresses, you and your employees consent to being contacted by these methods for these purposes.

15. MONEY LAUNDERING REGULATIONS

15.1 You are aware that legislation and related guidance as updated from time to time, has imposed on us obligations for mandatory reporting, record keeping and identification procedures. We may be required to verify certain particulars of our clients and may need to ask you to assist us in complying with such requirements. Where such information is requested, you will provide such information promptly to enable us to proceed to provide our Services. We shall not be liable to you or any other parties for any delay in the performance or any failure to perform the Services which may be caused by our duty to comply with such requirements.

16. FREEDOM OF INFORMATION

16.1 Where you are a public authority, you shall notify us within five business days of receiving a request to disclose information which relates to the business arrangements between us and you and/or any information we have provided to you at any time. In recognition of the fact that we may be providing you with genuinely confidential or commercially sensitive information, you agree to consult us and seek our views on all such requests prior to making a decision on whether any information should be publicly disclosed.

17. ELECTRONIC COMMUNICATIONS

17.1 We may communicate with each other by electronic mail, sometimes attaching electronic data. By consenting to this method of communication, we and you accept the inherent risks (including the security risks of interception of, or unauthorised access to, such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). In the event of a dispute, neither of us will challenge the legal evidential standing of an electronic document and our system shall be deemed to be the definitive record of electronic communications and documentation.

18. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

18.1 We owe our clients a duty of confidentiality. You agree, however, that we may, when required by our insurers or other advisers, provide details to them of any engagement on which we have acted for you, and that we may also disclose confidential information relating to your affairs if required to do so for legal, regulatory or insurance purposes only.

18.2 Both parties agree never to disclose sensitive details of transactions or our advice without the other's consent. Unless we are expressly bound by a duty of confidentiality which otherwise overrides this, both parties shall be entitled to mention to third parties (e.g. in the course of presentations, speeches or pitches) and/or publish (e.g. in brochures, marketing or other written material) that we provide our services to you.

18.3 We shall provide the Services to you only for your sole use and for the stated purpose. We shall not be liable to any third party in respect of our Services. You shall not mention nor refer to our advice, in whole or in part, to any third party orally or in annual accounts or other document, circular or statement without our prior written approval. The giving of an approval shall be at our sole discretion.

18.4 We will not approve any mention of our Services unless it contains sufficient reference to all the special assumptions and/or limitations (if any) to which our Services are subject. For the avoidance of doubt our approval is required whether or not we are referred to by name and whether or not our advice is combined with others.

18.5 We may make the approval of any mention of our Services, or re-address to third parties our Services, subject to the payment of an additional fee to cover additional work and professional liability.

18.6 All intellectual property rights (including copyrights) in the documents, materials, records, data and information in any form developed or provided to you by us or otherwise generated in the provision of our Services shall belong to us solely.

19. THIRD PARTIES RIGHTS AND ASSIGNMENT

19.1 No term of the Agreement or these Terms and Conditions is intended to confer a benefit on or to be enforceable by any person who is not a party to the same.

19.2 Neither party shall be entitled to assign this contract or any rights and obligations arising from it without the prior written consent of the other, such consent not to be unreasonably withheld.

20. GENERAL

20.1 If any provision of the Terms and Conditions is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable, it shall to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Terms and Conditions and the remainder of such provision shall continue in full force and effect.

20.2 Failure or delay by us in enforcing or partially enforcing any provision of these Terms and Conditions shall not be construed as a waiver of any of our rights under these Terms and Conditions.

20.3 The Agreement and these Terms and Conditions shall be governed by and be construed in accordance with the law of the place at where the Agreement is effective. Any dispute arising out or in connection with the Services shall be submitted to the exclusive jurisdiction of the relevant courts of that place.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests to be disposed of by the Group. Terms defined in this appendix applies to this appendix only.

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
308 Central Des Voeux
No. 308 Des Voeux Road Central
Hong Kong

VINCORN
appraisal • brokerage • consulting

The Board of Directors
China New Higher Education Group Limited
40/F,
Dah Sing Financial Centre,
No. 248 Queen's Road East, Wan Chai
Hong Kong

10 July 2026

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property interests located in the People's Republic of China ("**the PRC**") to be disposed of by China New Higher Education Group Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 30 April 2026 (the "**Valuation Date**").

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under relevant land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests held under the land use rights.

VALUATION METHODOLOGY

When valuing the property interests to be disposed of by the Group, we have adopted Cost Approach.

Cost Approach is subject to an assumption of adequate potential profitability of the business (or to service potential of the entity from the use of assets as a whole) paying due regard to the total assets employed. This technique is based on an estimate of the value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the value of the land, reference has been made to the land sale transactions as available in the locality. It generally provides the most reliable indication of value for a property in the absence of a known market based on comparable sales.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinised the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advices given by the PRC legal adviser of the Group, Commerce & Finance Law Offices, regarding the titles of the property interests in the PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on the information provided by the Group. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi ("**RMB**").

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

Kit Cheung	**Vincent Cheung**
BSc(Hons) FHKIS MRICS R.P.S.(GP)	*BSc(Hons) MBA FHKIS FRICS R.P.S.(GP)*
MCIREA MHIREA	*MCIREA MHKSI MISCM MHIREA FHKIoD*
RICS Registered Valuer	*RICS Registered Valuer*
Registered Real Estate Appraiser & Agent PRC	*Registered Real Estate Appraiser & Agent PRC*
Certified ESG Planner CEP®	*Certified ESG Planner CEP®*
Executive Director	*Managing Director*

Note:

Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a fellow of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 28 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Kit Cheung is a fellow of the Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 16 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

Property Interests to be Disposed of by the Group in the PRC

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 30 April 2026
Guangxi Yinghua International Occupation College Located at the North of Nanzhu West Street, Qinzhou City, Guangxi Zhuang Autonomous Region, the PRC.	The property comprises 26 educational buildings and various ancillary structures completed in various stages between 2006 and 2023, and two parcels of land with a total site area of approximately 166,666.69 square metres ("**sq.m.**"). As per information provided by the Group, the subject buildings have a total Gross Floor Area ("**GFA**") of approximately 130,728.36 sq.m., including five academic buildings, three training centres, a library, two canteens, an administration building, seven student dormitories, four staff dormitories and three ancillary buildings. The ancillary structures mainly include boundary walls and roads. The land use rights of the subject land parcels of the property were allocated to Guangxi Yinghua International Occupation College for educational uses.	As per our on-site inspection and the information provided by the Group, a portion of the property with a total GFA of 18,983.95 sq.m. is currently leased to Guangxi Yinghua International Occupation Middle School while the remaining portion of the property is owner-occupied for educational uses.	No Commercial Value (Please refer to Note 10).

Notes:

1. The property was inspected by Jeff Liu AssocRICS BSc(Hons) on 21 May 2026.

2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP® and Kit Cheung BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®*.

3. Pursuant to two State-owned Land Use Rights Certificates, issued by Government of Qinzhou City, the land use rights of two parcels of land of the property with a total site area of approximately 166,666.69 sq.m. were allocated to Guangxi Yinghua International Occupation College for educational uses.

The details of the State-owned Land Use Rights Certificates are summarised below:–

Certificate No.	Date of Issue	Land Use	Site Area (sq.m.)
Qin Guo Yong (2006) No. A0788	11 August 2006	Education	136,077.47
Qin Guo Yong (2006) No. A0789	11 August 2006	Education	30,589.22
Total			**166,666.69**

4. Pursuant to eight Building Ownership Certificates issued by Qinzhou Municipal Bureau of Housing and Urban-Rural Development, the building ownership rights of eight buildings of the property with a total GFA of approximately 22,857.34 sq.m. were legally vested in Guangxi Yinghua International Occupation College.

The details of the Building Ownership Certificates are summarised below:–

Certificate No.	Date of Issue	Building	GFA (sq.m.)
Qin Fang Quan Zheng Qin Cheng Qu Zi No. 98033881	19 January 2007	Academic Building 1	4,296.78
Qin Fang Quan Zheng Cheng Qu Zi No. 201103198	22 June 2011	Training Centre 1	6,555.40
Qin Fang Quan Zheng Cheng Qu Zi No. 201103199	22 June 2011	Library	5,045.04
Qin Fang Quan Zheng Qin Cheng Qu Zi No. 98034032	19 January 2007	Canteen 1	1,594.90
Qin Fang Quan Zheng Cheng Qu Zi No. 201410558	28 October 2014	Staff Dormitory 1	1,948.24
Qin Fang Quan Zheng Cheng Qu Zi No. 201409769	28 October 2014	Staff Dormitory 2	681.09
Qin Fang Quan Zheng Cheng Qu Zi No. 201409964	28 October 2014	Staff Dormitory 3	785.29
Qin Fang Quan Zheng Cheng Qu Zi No. 201409965	28 October 2014	Staff Dormitory 4	1,950.60
Total			**22,857.34**

5. Pursuant to 14 Real Estate Title Certificates issued by Qinzhou Municipal Bureau of Housing and Urban-Rural Development, the land use rights and building ownership rights of 14 buildings of the property with a total GFA of approximately 81,160.61 sq.m. were legally vested in Guangxi Yinghua International Occupation College.

The details of the Real Estate Title Certificates are summarised below:–

Certificate No.	Date of Issue	Building	GFA (sq.m.)
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0038927	5 December 2024	Academic Building 2	3,937.35
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0039155	5 December 2024	Academic Building 3	3,916.45
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0042331	30 December 2024	Academic Building 4	4,453.85
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000201	2 January 2025	Academic Building 5	4,704.36
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000196	2 January 2025	Training Centre 2	6,849.36
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000326	3 January 2025	Training Centre 3	6,336.20
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0042350	30 December 2024	Administration Building	4,822.28
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0042401	30 December 2024	Student Dormitory 1	7,304.15
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0042353	30 December 2024	Student Dormitory 2	6,666.28
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000195	2 January 2025	Student Dormitory 3	7,280.81
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000197	2 January 2025	Student Dormitory 4	7,361.51
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000199	2 January 2025	Student Dormitory 5	6,995.01
Gui (2025) Qin Zhou Shi Bu Dong Chan Quan No. 0000202	2 January 2025	Student Dormitory 6	6,560.06
Gui (2024) Qin Zhou Shi Bu Dong Chan Quan No. 0042310	30 December 2024	Canteen 2	3,972.94
Total			**81,160.61**

6. As per the information provided by the Group, the details of the existing tenancies are summarized below:–

Property	Leased Area	Annual Rent
Student Dormitories 4 & 6	GFA: 13,921.57 sq.m.	RMB938,000
Academic Building 5	GFA: 4,704.36 sq.m.	RMB930,000
Portion of Staff Dormitories 1, 2 & 3	GFA: 358.02 sq.m.	RMB163,200
Open Areas	Uncovered Area: 31,176.00 sq.m.	RMB600,000

7. As per the information provided by the Group, the following four buildings of the property are yet to be granted with proper construction permits and title certificates:–

Building	**GFA (sq.m.)**
Student Dormitory 7	23,324.33
Ancillary Building 1	2,469.97
Ancillary Building 2	676.11
Ancillary Building 3	240.00
Total	**26,710.41**

8. The general description and market information of the property are summarised below:–

Location	:	The property is located at North side of Nanzhu West Avenue, Qinzhou City (Adjacent to the north side of Qinzhou-Fangchenggang Highway), Qinzhou City, Guangxi Zhuang Autonomous Region, the PRC.
Transportation	:	Nanning Wuxu International Airport and Qinzhou East Railway Station are located approximately 103.0 kilometres and 10.1 kilometres away from the property respectively.
Nature of Surrounding Area	:	The subject area is an educational area in Qinzhou City.

9. We have been provided with a legal opinion regarding the property by Commerce & Finance Law Offices, which contains, inter alia, the following:–

(a) Guangxi Yinghua International Occupation College has obtained proper title certificates of the land use rights of the two parcels of land and building ownership rights of 22 buildings of the property;

(b) Guangxi Yinghua International Occupation College can occupy and use the above-mentioned two parcels of land and the 22 buildings of the property in accordance with the planned uses and terms as specified on the title certificates;

(c) In accordance with laws and the relevant conditions under title certificates, the above-mentioned two parcels of land and the 22 buildings of the property cannot be mortgaged or used as collateral; and

(d) Out of the 26 buildings of the property, four buildings are yet to be granted with proper construction permits and title certificates.

10. As advised by the Group, the subject land parcels of the property are allocated in nature and subject to alienation restrictions, and various buildings of the property as mentioned in Note 7 are yet to be granted with proper construction permits and title certificates. In the course of our valuation, we have attributed no commercial value to the property. The reference value of the property, assuming that it has been obtained proper construction permits and title certificates and it can be freely transferred, as at the Valuation Date was circa RMB366,000,000.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST BY DIRECTORS

As at the Latest Practicable Date, the Directors and the chief executive of the Company and their respective associates had the following interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Positions in the Shares and underlying Shares of the Company:

Name	Capacity	Number of Share	Approximate percentage of Shareholding in the Company (1)
Mr. Li Xiaoxuan (2)	Interest in a controlled corporation and founder of a discretionary trust	986,076,234	50.01%
Mr. Zhao Shuai	Beneficial owner	90,753	0.00%

Notes:

(1) The percentage figures disclosed under "Approximate percentage of Shareholding in the Company" were calculated based on the 1,971,941,783 Shares, being the number of total issued Shares of the Company as of the Latest Practicable Date.

(2) Li Family Trust and Li & Yang Settlement are the discretionary trusts established by Mr. Li as the settlor. Therefore, Mr. Li is deemed to be interested in the 874,505,029 Shares held by Li Family Trust and Li & Yang Settlement. Mr. Li is also deemed to be interested in 111,571,205 Shares through his interest in a controlled corporation, being Aspire Education Technology, Aspire Education Management and Aspire Education Consulting.

Long Positions in the Shares and underlying Shares of the associated corporation:

Yun Ai Group

Name	Capacity	Amount of registered capital	Approximate percentage of Shareholding in Yun Ai Group
Mr. Li Xiaoxuan [1]	Beneficial owner	RMB24,720,523	70.8305%

Notes:

(1) Mr. Li is deemed to be interested in the registered capital held by Songming Dexue.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

As at the Latest Practicable Date, none of the Directors had direct or indirect material interest in any assets which have been, since 31 August 2025 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group.

There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

So far as it is known to the Directors, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long Positions in the Shares and underlying Shares of the Company:

Name	Capacity	Number of Share	Approximate percentage of Shareholding in the Company [1]
IQ EQ Trustees (Singapore) Pte. Ltd. [2]	Trustee	806,579,378 (L)	40.9%
Lendit Holdings Limited [2]	Interest of controlled corporation	806,579,378 (L)	40.9%
Elm Pacific Holdings Limited [2]	Beneficial owner	668,156,681 (L)	33.9%
Sunnyland Ventures Limited [2]	Beneficial owner	138,422,697 (L)	7.0%
Greenwoods Asset Management Hong Kong Limited [3]	Investment manager	127,196,143 (L)	6.45%
Invest Partner Group Limited [3]	Interest of controlled corporation	127,196,143 (L)	6.45%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

The percentage figures disclosed under "Approximate percentage of Shareholding in the Company" were calculated based on the 1,971,941,783 Shares, being the number of total issued Shares of the Company as of the Latest Practicable Date.

(2) Elm Pacific Holdings Limited and Sunnyland Ventures Limited are owned as to 99% and 100% respectively by Lendit Holdings Limited, which is in turn wholly-owned by IQ EQ Trustees (Singapore) Pte. Ltd. (the trustee of the Li Family Trust). The Li Family Trust is a discretionary trust established by Mr. Li (as the settlor). Therefore, each of Lendit Holdings Limited and IQ EQ Trustees (Singapore) Pte. Ltd. is deemed under the SFO to be interested in the total number of 806,579,378 Shares held by Elm Pacific Holdings Limited and Sunnyland Ventures Limited.

(3) Each of Golden China Master Fund and Greenwoods China Alpha Master Fund is 100% controlled by Greenwoods Asset Management Hong Kong Limited as the investment manager which is in turn 100% owned by Invest Partner Group Limited. Therefore, each of Invest Partner Group Limited and Greenwoods Asset Management Hong Kong Limited is deemed to be interested in the Shares held by Golden China Master Fund and Greenwoods China Alpha Master Fund under the SFO.

Long Positions in the Shares and underlying Shares of the associated corporation:

Yun Ai Group

Name	Capacity	Amount of registered capital	Approximate percentage of Shareholding in Yun Ai Group
Songming Dexue	Beneficial owner	RMB24,720,523	70.8305%
Pai Dui Pai	Beneficial owner	RMB7,000,000	20.0568%

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. MATERIAL CONTRACTS

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular which is or may be material:

(1) the Sale and Purchase Agreement;

(2) a business cooperation agreement entered into by and among Shenzhen Yuanqi, Hainan Pusen, Nanjing Jingyuming, Songming Dexue, Pai Dui Pai, Kunming Bamupu Technology Co., Ltd.* (昆明巴木浦科技有限公司), Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd. and the Target Group and other related parties dated 20 December 2024;

(3) a supplemental agreement to the cooperation agreement entered into by and among Huihuang Company, Shenzhen Yuanqi, Hainan Pusen, Nanjing Jingyuming, Songming Dexue, Pai Dui Pai, Kunming Bamupu Technology Co., Ltd.* (昆明巴木浦科技有限公司), Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd. and domestic affiliated units dated 20 December 2024;

(4) an exclusive technical service and management consultancy agreement entered into by and among Shenzhen Yuanqi, Hainan Pusen, Nanjing Jingyuming and the Target Group and other related parties dated 20 December 2024; and

(5) the supplemental agreement to the cooperation agreement entered into by and among Huihuang Company, Shenzhen Yuanqi, Hainan Pusen, Nanjing Jingyuming, Songming Dexue, Pai Dui Pai, Kunming Bamupu Technology Co., Ltd.* (昆明巴木浦科技有限公司), Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd., the Target Group and Zhang Yan (張岩) dated 29 May 2026.

5. LITIGATION AND CLAIMS

As at the Latest Practicable Date, no litigation or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

7. EXPERT

The following are the qualifications of the experts who have given an opinion or advice contained in this circular:

Name	Qualification
Vincorn Consulting and Appraisal Limited	Independent valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter or opinion as set out in this circular and reference to its name in the form and context in which it appears in this circular.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any asset which since 31 August 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, has been acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

The company secretary of the Company is Ms. Lam Wai Yee Sophie, who is a Chartered Secretary, a Chartered Governance Professional and a Fellow of The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute, and holds a Practitioner's Endorsement from The Hong Kong Chartered Governance Institute.

The registered office of the Company is at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong. The transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (http://www.xingaojiao.com) for a period of 14 days from the date of this circular:

(i) the memorandum and articles of association of the Company;

(ii) the letter from the Board, the text of which is set out in the section headed "Letter from the Board" in the circular;

(iii) the annual reports of the Company for the two years ended 31 August 2024 and 31 August 2025;

(iv) the interim report of the Company for the six months ended 28 February 2026;

(v) the business valuation report of the Target Company, the text of which is set out in Appendix II of this circular;

(vi) the property valuation report of the property interests held by Guangxi Schools, the text of which is set out in Appendix III of this circular;

(vii) the written consent from Vincorn Consulting and Appraisal Limited, referred to in "7. Expert" above in this appendix;

(viii) a copy of each of the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and

(ix) this circular.