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**China New Higher Education Group Limited**  
**中國新高教集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 2001)**

**DISCLOSEABLE TRANSACTION**  
**SUCCESSFUL BIDDING OF THE ZHENGZHOU SCHOOL**

**THE ACQUISITION**

The Board is pleased to announce that on 13 April 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, has successfully bid the Zhengzhou School, including all the assets and liabilities it owns and all the rights its school sponsor and investor enjoy, by way of internet auction through Alibaba Judicial Auction\* (淘寶網司法拍賣網絡平台) published by the Intermediate People's Court of Zhengzhou, Henan Province\* (河南省鄭州市中級人民法院) at a consideration of RMB673,516,600 and obtained the Judicial Auction Successful Internet Bidding Confirmation\* (司法拍賣網絡競價成功確認書) on the same day.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) in relation to the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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## PARTICULARS OF THE BIDDING

- Date:** 13 April 2021
- Parties:** (i) Mr. Meng as Vendor; and
- (ii) Zhengzhou New Higher Education Technology Limited\* (鄭州新高教教育科技有限公司), an indirect wholly-owned subsidiary of the Company.
- Bidding Target:** The Bidding target is the Zhengzhou School, including all the assets and liabilities it owns and all the rights its school sponsor and investor enjoy.
- Bidding Price:** The amount payable by the Purchaser for bidding the Zhengzhou School is RMB673,516,600, excluding taxes and fees incurred in relation to the transfer of title. The Bidding price was determined with reference to the valuation price as published by the Intermediate People's Court of Zhengzhou, Henan Province\* (河南省鄭州市中級人民法院) through Alibaba Judicial Auction\* (淘寶網司法拍賣網絡平台).
- Settlement of the Bidding Price:** The Bidding price shall be settled in the following manner:
- (i) RMB60,000,000 has already been previously paid as surety; and
- (ii) RMB613,516,600 to be paid on or before 21 April 2021, 4:00 p.m., to the bank account designated by the Intermediate People's Court of Zhengzhou, Henan Province\* (河南省鄭州市中級人民法院).
- Upon successful settlement of the Bidding price, the Purchaser shall sign the Successful Auction Confirmation\* (拍賣成交確認書) at the Intermediate People's Court of Zhengzhou, Henan Province\* (河南省鄭州市中級人民法院) on or before 26 April 2021, 4:00 p.m.
- Source of Funding:** The Group intends to settle the Bidding price by internal resources of the Group.

## INFORMATION OF THE COMPANY AND PARTIES INVOLVED

### Information of 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, together with its subsidiaries and consolidated affiliated entities, principally engages in private formal higher education.

### **Information of the Purchaser**

The Purchaser is a company established under the laws of the PRC and is an indirect wholly-owned subsidiary of the Company. The principal business of the Purchaser is investment holding.

### **Information of the Vendor**

The Vendor is a Chinese citizen and was the sponsor of the Zhengzhou School before the Bidding. To the best of knowledge, information and belief of the Directors, having made reasonable enquiries, the Vendor is an Independent Third Party.

### **Information of the Zhengzhou School**

The Zhengzhou School is a private institution of formal higher education which has been officially approved by the People's Government of Henan Province\* (河南省人民政府) and registered with the Ministry of Education of the People's Republic of China\* (中華人民共和國教育部) to offer three-year full-time formal higher education service to over 12,000 students.

The Zhengzhou School has a total of seven faculties including construction engineering, automotive engineering, electronic and information engineering, mechanical and electrical engineering, economics and management, modern urban management and arts, covering a total of around 40 majors.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors consider that the Acquisition will bring long-term benefits for the Group after taking into account the following:

1. Henan Province has the largest source of students in the PRC, with the number of students taking the national college entrance examination ranking number 1 for many years and such number has been over 1 million for the last two years, reaching 1,158,000 in 2020, and is expected to maintain such robust growth in the coming years. For the past three years, the average growth of the number of students taking the national college entrance examination in Henan Province was approximately 100,000, indicating a high demand for higher education in Henan Province. The Zhengzhou School is located in Zhengzhou, the capital of Henan Province, allowing it to have competitive advantages in various aspects including student enrollment and teacher recruitment and to cover the whole province of Henan. It is expected that the number of enrolled students of the Zhengzhou School will have a significant growth potential in the future;
2. In recent years, the GDP of Henan Province has been ranking fifth in the PRC and the tuition fee of the Zhengzhou School is at a relatively low level, providing a relatively large room for future tuition fee increase;

3. Given the Zhengzhou School's satisfactory basic conditions, upon the completion of the Acquisition, the Group will fully leverage its strengths of collectivized school operation to further improve the Zhengzhou School's quality of operation, teaching and school branding for the purpose of improving the school's operating and management capabilities and profitability; and
4. The Zhengzhou School is similar to Henan School, a school of the Group located in Luoyang, in terms of the nature of majors offered, which would lead to effective synergy between the two schools in terms of educational and social resources sharing, channel of student enrollment and branding; and such synergy will further enhance the Group's operating network in Henan Province which has the largest source of students in the PRC, thus facilitating the rapid growth of scale of operation and revenue of the Group.

The Directors (including the independent non-executive Directors) consider that the Acquisition is on normal commercial terms and in line with the Company's development strategy focusing on private higher education. The Acquisition will also further enhance the competitiveness of the existing private higher education business of the Group, which is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) in relation to the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Zhengzhou School by the Purchaser through the Bidding;
“Bidding”	the bidding of the Zhengzhou School by way of auction through Alibaba Judicial Auction* (淘寶網司法拍賣網絡平台) published by the Intermediate People's Court of Zhengzhou, Henan Province * (河南省鄭州市中級人民法院);
“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 (Stock Code: 2001);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Henan School”	Luoyang Science and Technology Vocational College* (洛陽科技職業學院), a private institution of formal higher education established under the laws of the PRC in June 2013. Henan School is a consolidated affiliated entity of the Company
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Purchaser”	Zhengzhou New Higher Education Technology Limited* (鄭州新高教教育科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Meng Fanlian (孟凡鏞), the school sponsor of the Zhengzhou School before the Bidding, an Independent Third Party;

“Zhengzhou School”

Zhengzhou City Vocational College\* (鄭州城市職業學院), a private higher vocational college located in Zhengzhou, Henan Province, the PRC;

“%”

per cent.

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

Hong Kong, 13 April 2021

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

\* *English translation denotes for identification purposes only*