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

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

COMPLETION OF PLACING OF EXISTING SHARES
AND
TOP-UP SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the completion of the Placing took place on 12 April 2019 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 110,000,000 Placing Shares were successfully placed to no less than six placees, who and whose ultimate beneficial owners are Independent Third Parties, at the Placing Price of HK\$3.57 for each Placing Share.

As all conditions of the Subscription have been fulfilled, the Company allotted and issued 110,000,000 Subscription Shares to Aspire Education Technology at HK\$3.57 per Subscription Share on 17 April 2019.

Reference is made to the announcement of the Company dated 10 April 2019 in respect of the Placing of existing Shares and top-up Subscription of new Shares under General Mandate (the “**Announcement**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Placing took place on 17 April 2019. An aggregate of 110,000,000 Placing Shares have been successfully placed by the Placing Agent to no less than six placees at the Placing Price of HK\$3.57 for each Placing Share pursuant to the terms and conditions of the Placing and Subscription Agreement. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Placees are Independent Third Parties. None of the placees has become a Substantial Shareholder of the Company immediately after the Placing.

As all conditions of the Subscription had been fulfilled, the Company allotted and issued 110,000,000 Subscription Shares to Aspire Education Technology at HK\$3.57 per Subscription Share on 17 April 2019. The net proceeds from the Subscription amount to approximately HK\$388.5 million, of which (i) approximately HK\$100 million will be used to improve the financing structure of the Company and to repay certain outstanding loans of the Company due in 2019; and (ii) approximately HK\$288.5 million will be used for working capital and general corporate purposes, of which (a) approximately HK\$150 million will be used for the formation of a smart campus; (b) approximately HK\$80 million will be used for the formation of training rooms; (c) approximately HK\$30 million will be used for the provision of trainings for teachers and the formation of professional development centers; and (d) approximately HK\$28.5 million will be used for other general corporate purposes.

The table below sets out the shareholding structures of the Company (i) immediately before the completion of the Placing and the Subscription; (ii) immediately after the completion of the Placing, but before the completion of the Subscription; and (iii) immediately after the completion of the Placing and the Subscription, respectively (*Note 1*):

	Immediately before the completion of the Placing and the Subscription		Immediately after the completion of the Placing, but before the completion of the Subscription		Immediately after the completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Controlling Shareholders						
Aspire Education Management (<i>Note 2</i>) (<i>Note 6</i>)	502,160,000	35.09	502,160,000	35.09	502,160,000	32.58
Aspire Education Technology (<i>Note 3</i>)	196,000,000	13.70	86,000,000	6.01	196,000,000	12.72
Aspire Education Consulting (<i>Note 4</i>)	56,000,000	3.91	56,000,000	3.91	56,000,000	3.63
Aspire Education International (<i>Note 5</i>)	37,840,000	2.64	37,840,000	2.64	37,840,000	2.46
Total for Controlling Shareholders (<i>Note 7</i>)	792,000,000	55.34	682,000,000	47.66	792,000,000	51.39
Public Shareholders						
Placees	–	–	110,000,000	7.69	110,000,000	7.14
Other Public Shareholders	639,100,000	44.66	639,100,000	44.66	639,100,000	41.47
Total:	1,431,100,000	100	1,431,100,000	100.00	1,541,100,000	100.00

Notes:

1. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.
2. Aspire Education Management is wholly owned by Mr. Li.
3. Aspire Education Technology is owned as to 53.35% by Mr. Li, 14.23% by Yang Xuwei (楊旭維), 4.85% by Huang Wei (黃煒), 2.74% by Miao Qiongfeng (繆瓊芬), 2.93% by Yang Xuyan (楊旭艷), 2.39% by Liu Yun (劉雲), 1.30% by Wang Yan (汪焰), 0.95% by Jiang He (姜河), 0.95% by Yuan Hao (袁蒿), 0.57% by Yang Xufen (楊旭芬), 0.51% by Lv Xuerui (呂雪蕊), 0.48% by Wu Shiyi (吳世義), 0.47% by Fu Zigang (傅子剛), 13.64% by Li Yaohong (李耀紅) and 0.64% by Bi Xiaofen (畢曉芬). Except for Mr. Li, Yang Xuwei (楊旭維), the sister-in-law of Mr. Li, Yang Xuyan (楊旭艷), the sister-in-law of Mr. Li, Yang Xufen (楊旭芬), the sister-in-law of Mr. Li, and Li Yaohong (李耀紅), the sister of Mr. Li, all of the aforementioned individuals are Independent Third Parties.
4. Aspire Education Consulting is owned as to 79.20% by Mr. Li, 14.37% by Yang Xuwei (楊旭維), 3.52% by Liu Fengming (劉風明), 0.98% by Pan Yi (潘毅), 0.80% by Qin Hongkang (秦宏康), 0.59% by Wang Lei (汪蕾), 0.40% by Yang Junxiong (楊俊雄) and 0.15% by Yao Li (姚莉). Except for Mr. Li and Yang Xuwei (楊旭維), the sister-in-law of Mr. Li, all of the aforementioned individuals are Independent Third Parties.
5. Aspire Education International is owned by (i) all partners of Kashi Daai Chengxin Investment Management Limited Partnership (喀什大愛誠信投資管理合夥企業(有限合夥)) and Kashi Daai Huihuang Investment Management Limited Partnership (喀什大愛輝煌投資管理合夥企業(有限合夥)), being Mr. Li, 44 employees of the Group, the Principal of the Northeast School, and 9 other individuals who are Independent Third Parties; and (ii) one other individual, Chan Tung Hoi (陳冬海), a friend of Mr. Li and an Independent Third Party, who invested in the Company directly through Aspire Education International. Each of the shareholders of Aspire Education International has authorized Mr. Li to exercise his voting rights in Aspire Education International while the economic interest of the shares of Aspire Education International shall belong to the aforementioned individuals.
6. On 29 November 2018, the Company, as borrower, entered into a secured term loan facility agreement (the “**Facility Agreement**”) with CMBC Capital Finance Limited (“**CMBC Finance**”), as lender, in relation to a term loan facility in an aggregate amount equal to HK\$150,000,000. In order to secure the Company’s obligations under the Facility Agreement, Aspire Education Management charged 230,000,000 ordinary Shares in favour of CMBC Finance. For further details, please refer to the Company’s announcement dated 29 November 2018.
7. As at the date of this announcement, Mr. Li directly holds 53.35% interest in Aspire Education Technology, and together with his interest in Aspire Education Management, Aspire Education Consulting and Aspire Education International, holds an aggregate interest of 51.39% in the Company based on the total issued shares as at the date of this announcement. Mr. Li is also deemed to be interested in 709,300 Shares which may be issued to him upon exercise of the 709,300 share options granted to him by the Company on 3 September 2018.

By order of the Board
China New Higher Education Group Limited
ZHAO Shuai
Executive Director

Hong Kong, 17 April 2019

As at the date of this announcement, the executive Directors of the Company are Mr. LI Xiaoxuan, Mr. ZHAO Shuai and Mr. DING Yu, the non-executive Director is Mr. CHEN Shuo, and the independent non-executive Directors are Mr. WONG Man Chung Francis, Mr. HU Jianbo and Mr. KWONG Wai Sun Wilson.