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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)

EQUITY TRANSFER OF YUN AI GROUP

**RESIGNATIONS OF THE NON-EXECUTIVE DIRECTOR AND
AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

AND

**CHANGE OF COMPOSITION OF AUDIT COMMITTEE AND
NOMINATION COMMITTEE**

EQUITY TRANSFER OF YUN AI GROUP

Reference is made to the announcement of China New Higher Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 August 2019 in relation to the Equity Transfers and the New VIE Structure (the “**Announcement**”). Unless otherwise defined hereunder, the capitalized terms used herein shall have the same meanings as those defined in the Announcement.

Advance Vision Investment Co., Ltd (“**Advance Vision**”), which is wholly owned by Shanghai Taifu, ceased to be a shareholder of the Company. Accordingly, in order to reflect the change in equity interest in the Company held by Advance Vision, parties agreed that the corresponding equity interest in Yun Ai Group held by Shanghai Taifu shall be adjusted accordingly. Pursuant to an equity transfer agreement entered between Shanghai Taifu and Songming Dexue on 6 December 2019, Shanghai Taifu will transfer its entire 8.5393% equity interest in Yun Ai Group to Songming Dexue at nil consideration (the “**ST Equity Transfer**”).

Supplemental Agreement

Immediately upon completion of the ST Equity Transfer, a supplemental agreement to the New Structured Contracts (the “**Supplemental Agreement**”) will be entered into between Pai Dui Pai, Ba Mu Pu, Songming Dexue, Zhongyi Company (collectively, the “**Remaining Registered Shareholders**”), Shanghai Taifu and Huihuang Company, pursuant to which, among other things, all the rights and obligations attached to Shanghai Taifu’s equity interests in Yun Ai Group will be transferred to Songming Dexue.

The principal terms of the Supplemental Agreement are set out below:

- (1) Shanghai Taifu would cease to be one of the Registered Shareholders and a signing party to the New Structured Contracts upon completion of the ST Equity Transfer. Shanghai Taifu is no longer entitled to any of the rights and obligations attached to its 8.5393% equity interest in Yun Ai Group, and all such rights and obligations would be transferred to Songming Dexue (the “**Succession of Rights and Obligations Matter**”);
- (2) in relation to pledge on equity interest in Yun Ai Group previously held by Shanghai Taifu, Shanghai Taifu and Songming Dexue agreed to procure, pursuant to Huihuang Company’s request, all procedures necessary and in accordance with the regulatory requirements, to transfer the title of pledgor from Shanghai Taifu to Songming Dexue;
- (3) if applicable, in case the validity of any of the New Structured Contracts is affected or impaired due to the Succession of Rights and Obligations Matter, each party agreed that the New Structured Contracts shall remain effective, and undertook to cause the other signatories to the New Structured Contracts to sign the relevant agreements and related matters, to ensure that the New Structured Contracts continued to take effect; and
- (4) the Supplemental Agreement shall not be changed, altered, supplemented or amended except as otherwise executed by parties in written agreement. No party shall assign its rights or obligations under the Supplemental Agreement without the prior written consent of all the other parties.

Save as disclosed, the clauses of the New Structured Contracts remained unchanged.

Reasons For the Supplemental Agreement

The Supplemental Agreement will be entered into only to reflect the changes in equity interest in the Company held by Advance Vision. The ST Equity Transfer does not involve any new investors. The transferee of the ST Equity Transfer, Songming Dexue, being the receiving Registered Shareholder which will take the entire equity interest in Yun Ai Group originally held by Shanghai Taifu, is controlled by Mr. Li Xiaoxuan, the controlling shareholder of the Group. After consultation with the Company’s PRC Legal Advisors, the Company confirms that the terms and conditions of the New Structured Contracts are not affected by the Supplemental Agreement.

Listing Rules Implications

As disclosed in the Announcement, the New Structured Contracts, as a whole, constitute continuing connected transactions of the Company under the Listing Rules. The Supplemental Agreement constitutes a change to the terms of the Structured Contracts.

The Directors (including the independent non-executive Directors) are of the view that the Supplemental Agreement will be entered into only to reflect the offshore shareholding changes and will not affect the terms and conditions of the New Structured Contracts, and therefore are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Li, who owns 100% shareholding in Songming Dexue is considered to have a material interest in the Supplemental Agreement. Mr. Li was abstained from voting on the resolutions in relation to the Equity Transfer and the Supplemental Agreement to be proposed to the Board. Save as disclosed above, none of the Directors has a material interest in the Supplemental Agreement or has abstained from voting on the resolutions.

RESIGNATIONS OF THE NON-EXECUTIVE DIRECTOR AND AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board announces that (i) Mr. Chen Shuo (“**Mr. Chen**”) resigned as the non-executive Director and (ii) Mr. Wong Man Chung Francis (“**Mr. Wong**”) resigned as an independent non-executive Director, chairman of the audit committee of the Company (the “**Audit Committee**”) and a member of the nomination committee of the Company (the “**Nomination Committee**”), respectively, with effect on 6 December 2019.

Mr. Chen was originally nominated by Advance Vision, which is beneficially owned by Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司) before the listing of the Company. Since Advance Vision ceased to be a shareholder of the Company, Mr. Chen resigned as a Director accordingly.

Mr. Wong resigned due to his other business commitment. According to him, he maintains his confidence and long-term support for the Company. As at the date of this announcement, he has recently further acquired a total of 63,000 Shares of the Company according to the relevant laws and regulations as well as the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) on 26 November 2019.

Each of them has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to Mr. Chen and Mr. Wong for their invaluable contributions to the Company during their tenure of office.

CHANGE OF COMPOSITION OF AUDIT COMMITTEE AND NOMINATION COMMITTEE

The Board further announces that with effect from 6 December 2019, (i) Mr. Kwong Wai Sun Wilson, an independent non-executive Director, was appointed as the chairman of the Audit Committee, (ii) Dr. Pang Tsz Kit Peter, an independent non-executive Director, was appointed as a member of the Audit Committee, and (iii) Mr. Chan Tung Hoi, an independent non-executive Director, was appointed as a member of the Nomination Committee.

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

Hong Kong, 6 December 2019

As at the date of this announcement, the executive Directors are Mr. Li Xiaoxuan and Mr. Zhao Shuai 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.