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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)

INSIDE INFORMATION

COOPERATION AGREEMENT IN RELATION TO THE NORTHWEST SCHOOL

This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

Reference is made to the paragraph “History and Corporate Structure – Schools to be established or invested in – Northwest School” of the Prospectus. It was expected that the Northwest School would be officially established after the Listing and the Group intends to apply part of the listing proceeds to the construction of the Northwest School.

THE COOPERATION AGREEMENT

The Board is pleased to announce that, on July 6, 2017, Bei Ai Company and Lanzhou New Area Management Committee, entered into the Cooperation Agreement, pursuant to which the Group intended to invest approximately RMB600 million for its construction of the Northwest School with a planned capacity of 15,000 students. Lanzhou New Area Management Committee agreed to provide administrative support for the establishment of the Northwest School, including but not limited to the grant of the land use right for the campus of the Northwest School and completing the construction of the ancillary infrastructure around the campus.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE COOPERATION AGREEMENT

As disclosed in the Prospectus, it was expected that the Northwest School would be officially established after the Listing. The construction was planned to commence in the second half of 2017. It is expected that the Northwest School will commence operation in 2019 and enroll the first batch of students in September 2019.

After the commencement of operation of the Northwest School, the Group plans to increase the number of school buildings, equipment and other constructions based on the growth of student enrollment year by year.

The Directors believe that the Cooperation Agreement marks the Group's continuous efforts to expand its school network and increase the market penetration.

The Directors are of the view that the terms and conditions of the Cooperation Agreement are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE COOPERATION AGREEMENT

Information of Lanzhou New Area Management Committee

Lanzhou New Area Management Committee is a government authority and an administrative management institution of Lanzhou New Area. Lanzhou New Area is the first state-level new area in Northwest China. To the best of the Directors' knowledge, information and having made all reasonable enquiries, Lanzhou New Area Management Committee and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information of the Company and Bei Ai Company

The Company is an investment holding company and its subsidiaries are principally engaged in private formal higher education. Bei Ai Company is a wholly owned subsidiary of the Company. It currently has no substantial business and will act as the school sponsor of the Northwest School after its establishment.

Shareholders and investors of the Company should note that the transactions contemplated under the Cooperation Agreement remain subject to the entering into of definitive agreements and may or may not materialise as described or at all. In the event any definitive agreement is entered into, further announcement(s) will be made if and then required or as appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Shareholders and investors of the Company should exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Bei Ai Company” Beijing Aiyinsheng Education Investment Co., Ltd.* (北京愛因生教育投資有限責任公司), a limited liability company established under the laws of the PRC on October 16, 2012, and wholly owned by the Company. Bei Ai Company will act as the school sponsor of the Northwest School upon the official establishment of the Northwest School

“Board” the board of directors of the Company

“China” or “PRC”	the People’s Republic of China, excluding <u>Hong Kong, Macau and Taiwan</u> , for the purpose of <u>this announcement</u>
“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 July 8, 2016
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated <u>July 6, 2017</u> entered into by and between Lanzhou <u>New Area</u> Management Committee and Bei Ai Company in relation to the construction and establishment of Northwest School
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
<u>“HK\$” and “HK cents”</u>	<u>Hong Kong dollars and cents respectively, the lawful currency of Hong Kong</u>
<u>“Hong Kong”</u>	<u>The Hong Kong Special Administrative Region of the PRC</u>
<u>“Lanzhou New Area Management Committee”</u>	<u>Lanzhou New Area Management Committee* (蘭州新區管理委員會), an administrative management authority of Lanzhou New Area</u>
<u>“Listing”</u>	<u>the listing of the Shares of the Company on the Main Board of the Stock Exchange</u>
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
<u>“Northwest School”</u>	Northwest Technology and Business Institute* (西北工商職業學院), a private <u>higher education college</u> to be established under the laws of the PRC, of which the school sponsor’s interest will be wholly-owned by Bei Ai Company after the official establishment of the Northwest School
<u>“Prospectus”</u>	<u>the prospectus of the Company dated April 5, 2017</u>
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	means share(s) of US\$0.0001 each in the share capital of the Company

“Shareholder(s)” the shareholder(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

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

Hong Kong, July 6, 2017

As at the date of this announcement, our executive Directors are Mr. Li Xiaoxuan, Mr. Zhao Shuai, Mr. Zhang Ke and Mr. Zhu Lidong, our non-executive Director is Mr. Chen Shuo, and our independent non-executive Directors are Mr. Wong Man Chung Francis, Mr. Chung Yue Ping Stephen and Mr. Kwong Wai Sun Wilson.