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DASHAN EDUCATION HOLDINGS LIMITED

大山教育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9986)

INSIDE INFORMATION

AND

BUSINESS UPDATE

This announcement is made by Dashan Education Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

It is reported that the People's Republic of China (“**PRC**”) government has been reforming the PRC education system, and there has been a new policy to alleviate the workload of students from after-school trainings. Management of the Company was informed that the PRC government also continued to strengthen the regulation and supervision on the after-school education sector to ensure, among others, the safety of the students and the quality of the services. The management also understand that local education bureaus have been directing after-school activities and day care services to be provided by public schools while promulgating more stringent restrictions on private after-school tutoring institutions. Accordingly, the operations of private after-school education services providers may be significantly affected. While the Group is observing the impacts from the changing government policies, it is also reviewing its business strategies and resources allocation.

In addition, a recent fire outbreak incident in a martial art center in Shangqiu City, Henan Province brought wide spread concern over fire safety issues by after-school education institutions. As a result, the local education bureaus in Henan Province implemented temporary suspension of private after-school education institutions for carrying out safety and licensing screening. On 27 June 2021, our self-operated teaching centre in Pingyuan Demonstration District, Xinxiang City was first suspended pending safety screening and rectification. Since then, the Group had been pro-actively liaising with local authorities to seek guidance. Majority of the liaising work was completed on Friday, 9 July 2021, when the managements formed a clearer understanding of the requirements and implications of

the screening arrangements. As at the date of this announcement, 51 out of our 102 self-operated teaching centres (“**Suspended Centres**”) were temporarily suspended until further approval by the local authorities. According to the management’s past experiences, when teaching centres were suspended for regular safety screening, they were normally allowed to resume operation within a short period of time. As at the date of this announcement, five of our self-operated teaching centres that were suspended in early July for similar reason were approved to resume operation after two days. The Group will continue to liaise with the relevant authorities to obtain approvals for the Suspended Centres to resume operation. Further, the Group has offered online courses to the affected students to keep them on track with study routine and mitigate the impacts of the tutoring suspension. The Group will reschedule the affected tutoring hours once the relevant Suspended Centres are approved to resume operation. The management is also assessing the quantitative impacts of the suspension in view of the resumption progress and will make further announcement if there is any material update.

Given the PRC government’s reported intention to reform its education system and various policies to heighten scrutiny over the after-school education sector, the Group will monitor closely any risks in the regulatory environment which may have material effects on our business operations and financial position and adjust our business plan from time to time, including further resources re-allocation. We will make announcement(s) updating the business development of the Group as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Dashan Education Holdings Limited
Zhang Hongjun
*Chairman, Chief Executive Officer
and Executive Director*

Zhengzhou, 11 July 2021

As at the date of this announcement, the executive Directors are Mr. Zhang Hongjun, Mr. Shan Jingchao and Mr. Ma Wenhao; the non-executive Director is Mr. Jia Shuilin; and the independent non-executive Directors are Mr. Lui Siu Keung, Mr. Li Gang, Mr. Zhang Jian and Ms. Yang Min.