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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). Reference is made to the announcement of the Company dated 11 July 2021 (the “**Announcement**”). Unless the contexts require otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

### **FLOODING IN HENAN PROVINCE**

The board (the “**Board**”) of directors of the Company (the “**Directors**”) would like to inform the shareholders of the Company (the “**Shareholders**”) that since 17 July 2021, extremely heavy rainfall inundated streets and caused major rivers to burst their banks in Henan Province. Henan Province activated the highest level emergency response on 21 July 2021. In Zhengzhou city, public transportation services were suspended while water and electricity supply was interrupted due to the flooding. As a result, all of the Group’s self-operated teaching centres are temporarily closed.

The Group believes that with the relief efforts by the local authorities and supports from the central PRC government, the situation will be under control in a timely manner. Managements of the Group are monitoring the situation closely and will devise measures to ensure the safety of its students and staff while ameliorating impact of the flooding on the Group’s operation. Operation of the Group’s self-operated teaching centres will resume as soon as it is safe to do so.

In the past two weeks, the Group has been liaising with the relevant authorities to obtain approvals for the Suspended Centres to resume operation. However, the approval and resumption process have been interrupted by the flooding emergency as mentioned above. The Group will use its best endeavour to advance the resumption process as soon as it is practicable to do so. The Group will also continue to evaluate the impact of the Suspended Centres and pay close attention to the development of regulatory environment which may have material effects on our business operations and financial performance. The Board will make further announcement if there is any material update.

## **PROPOSED BUSINESS EXPANSION**

The Group is principally engaged in the provision of primary and secondary after-school education services in Zhengzhou city. The Group offers primary and secondary school students online-merge-offline after-school education services which supplement their regular English, Chinese, Mathematics and other curriculum at school (the “**Existing Businesses**”).

Efforts have been made to strengthen the Group’s Existing Businesses while the Board also strives to improve the Group’s operations by proactively seeking new business opportunities that would diversify the Group’s existing business portfolio and broaden its source of income, with a view to enhance value to the Shareholders.

As disclosed in the Announcement, due to the PRC government’s reported intention to reform its education system and various policies have been implemented in some of the major cities in the PRC, the Group anticipates that there will be challenges to the traditional after-school education sector, therefore, the Board has decided to make strategic adjustments to reallocate the resources of our business operations. In the meantime, the Group sees the opportunities in extracurricular tutoring for subjects such as arts, sports and coding programming as well as vocational education, as the society is giving more value to all-round development of the next generation.

The Board wishes to inform the Shareholders and potential investors that the Group is planning to expand its business to cover four other types of tutoring services, namely (i) art schools entrance exams preparatory programmes targeting high school students and graduates; (ii) extracurricular programmes for personal attainment in arts, sports and coding programming targeting children and teenagers; (iii) vocational education targeting high school students and adults; and (iv) in school tutoring and after-class custody services to be provided in public schools (collectively, the “**Expanded Businesses**”).

Premised on the Group's sound resources and solid experiences from the Existing Businesses, the management of the Group believes that the Expanded Businesses will offer good opportunities for the Group to further its business coverage and diversify its services to absorb more market demands. The Board believes the Expanded Businesses will broaden the income sources of the Group and bring new profit growth for the Group. Therefore, the Board is of the view that this move is in the interest of the Company and Shareholders as a whole. The Group is still formulating the details of implementation of the Expanded Businesses and will make further announcement(s) 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, 22 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.*