KOOLEARN TECHNOLOGY HOLDING LIMITED
新東方在線科技控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1797)

VOLUNTARY ANNOUNCEMENT
UPDATE ON NEW REGULATIONS

This is a voluntary announcement made by Koolearn Technology Holding Limited (the “Company”) and follow-up to our announcement of 23 July 2021.

We announce that on 24 July 2021, China’s official state media, including Xinhua News Agency and China Central Television, announced the Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education (the “Opinion”), issued by the General Office of the Chinese Communist Party Central Committee and the General Office of the State Council. The Opinion contains high-level policy directives about requirements and restrictions related to online and offline after-school tutoring (“AST”) services, including: (i) institutions providing after-school tutoring services on academic subjects in China’s compulsory education system, or Academic AST Institutions, need to be registered as non-profit, no approval will be granted to new Academic AST Institutions, and an approval mechanism will be adopted for online Academic AST Institutions; (ii) foreign ownership in Academic AST Institutions is prohibited, including through contractual arrangements, and companies with existing foreign ownership need to rectify the situation; (iii) listed companies are prohibited from raising capital to invest in businesses that teach academic subjects in compulsory education; (iv) Academic AST Institutions are prohibited from providing tutoring services on academic subjects in compulsory education during public holidays, weekends and school breaks; and (v) Academic AST Institutions must follow the fee standards to be established by relevant authorities. The Opinion also provides that institutions providing AST services on academic subjects in high schools (which do not fall within China’s compulsory education system) shall take into consideration the Opinion when conducting activities.

The Company will follow the spirit of the Opinion and comply with relevant rules and regulations when providing educational services. The Company is considering appropriate compliance measures to be taken, and expects such measures to have material adverse impact on its AST services related to academic subjects in China’s compulsory education services. We will proactively seek guidance from and cooperate with government authorities in connection with efforts to comply with the Opinion and any related rules and regulations.
Our Company is a leading online provider of extracurricular education services in China with a comprehensive portfolio of well-recognised brands known for high-quality courses and content.

For more information about us, please visit https://www.koolearn.hk/.

Shareholders and prospective investors are advised to exercise caution when dealing in the shares and other securities of our Company.

By order of the Board
Koolearn Technology Holding Limited
Mr. YU Minhong
Chairman

Hong Kong, 26 July 2021

As of the date of this announcement, the Board comprises Mr. SUN Dongxu and, Mr. YIN Qiang as executive Directors; Mr. YU Minhong, Ms. SUN Chang, Mr. WU Qiang and Ms. LEUNG Yu Hua Catherine as non-executive Directors; and Mr. LIN Zheying, Mr. TONG Sui Bau and Mr. KWONG Wai Sun Wilson as independent non-executive Directors.