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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)

BUSINESS UPDATE, PROPOSED BUSINESS EXPANSION AND PROPOSED REORGANISATION

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 (the “**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 announcements of the Company dated 11, 22 and 25 July 2021, respectively (collectively, the “**Announcements**”). Unless the contexts require otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS UPDATE

The Board would also like to inform the Shareholders that following the severe flooding that hit Zhengzhou in July 2021 as disclosed in the Announcements, there has been resurgence of COVID-19 cases (the “**COVID-19 Resurgence**”) in the region since early August 2021. The local government has speedily implemented measures to prevent further spread of the COVID-19 cases, including lockdowns in the high-risk areas. As a result, all after-school education institutions in Zhengzhou are required to suspend physical classes until further notice. As such, we converted certain of our physical classes to online classes where students were able to attend classes through our proprietary online learning platform.

The Group believes that with the anti-epidemic efforts by the local authorities and supports from the central PRC government, the COVID-19 Resurgence will be contained 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 reducing the impact of the COVID-19 Resurgence on the Group's operation. Physical classes to be provided in the Group's self-operated teaching centres will resume as soon as it is allowed and safe to do so.

PROPOSED BUSINESS EXPANSION

In response to the challenges posted by the new policy under the Opinion, the Group is exploring opportunities for the Expanded Businesses (the “**Proposed Business Expansion**”) to cover extracurricular programmes for personal attainment on subjects such as arts, Chinese calligraphy, eloquence, robotics, coding programming and Chinese sinology.

The Board is of the view that the Proposed Business Expansion could diversify the Group's business portfolio to absorb additional market demands and bring new profit growth for the Group. The Group is in the process of gathering further information on the Expanded Businesses and negotiating with the relevant parties. The Company will make further announcement(s) on the Proposed Business Expansion as and when appropriate in accordance with the Listing Rules.

PROPOSED REORGANISATION

The Board would also like to inform the Shareholders that, to ameliorate the negative impacts from the implementation of the Opinion, especially the requirements that existing private institutions for curricular related after-school tutoring shall be registered as non-profit organisation, the Group is planning to have a reorganisation of its assets and businesses held under its subsidiaries and Consolidated Affiliated Entities (the “**Reorganisation**”).

The Group is currently taking legal advice and exploring possible options for the Reorganisation. The Board is of the view that the Reorganisation would achieve delineation of the Group's assets and businesses as well as to facilitate the Proposed Business Expansion. The Company will make further announcement(s) on the Reorganisation as and when appropriate in accordance with the Listing Rules.

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

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

Zhengzhou, 13 August 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.