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KOOLEARN TECHNOLOGY HOLDING LIMITED

新東方在綫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1797)

VOLUNTARY ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Koolearn Technology Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) notes that there has been heightened media coverage about the Company lately, which has coincided with fluctuation in the price and trading volume of the Company’s shares.

The Company would like to remind its shareholders and investors that media coverage about the Company are not authorised by, and do not represent the views of, the Company. Only information published by the Company and disclosed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) website at www.hkexnews.hk and the Company’s website at www.koolearn.hk should be relied upon for information about, and from, the Company.

The Company is in the process of reviewing its financial results for the financial year ended 31 May 2022 and will update the market on its financial performance during the past financial year by way of an announcement to be published on the websites of the Stock Exchange and the Company, which is currently anticipated to be around end of August 2022.

In addition, the Company believes that the success of its business depends on its ability to effectively implement the risk management and internal control measures. The Company has adopted since its listing, and continues to at present adopt, internal control measures relating to, among others, financial reporting, information system, human resources and investment. As the Group continues to expand, it has and will continue to modify and improve these measures and procedures to meet its evolving business needs and safeguard its business operations.

This includes a series of measures and policies, which the Company has established since its listing and that it continues to implement, to ensure that its connected transactions, including its continuing connected transactions, such as those under the 2022 EDU Framework Agreement, as described in the Company’s announcement of 27 May 2022, will be carried out in accordance with the terms

of the agreements, including pricing policies, which are on normal commercial terms and no less favourable than terms available to third parties. In particular, this includes:

- (1) the marketing, products, and business teams of the Group (“**Internal Business Insiders**”), comprising of industry insiders who are familiar with prevailing market rates, industry and seasonal specific variables affecting pricing, periodically monitoring the terms of the transactions and comparing these against the terms of, or with, comparable independent third-party counterparties;
- (2) the Company, through its Internal Business Insiders, periodically reviewing the prices charged against, among others: (i) prices charged by comparable service providers for comparable/substitutable goods or services; (ii) prices negotiated between the Group and third parties, or prices quoted by third parties, for comparable/substitutable goods or services; and (iii) prices charged by the Company’s connected counterparties to their other customers for comparable/substitute goods or services;
- (3) the Company, through the Group’s financial and business teams, periodically monitoring the transaction amounts under the continuing connected transactions, and when it is expected that the transaction amount would exceed the designed annual cap(s), ensuring that the Company complies with all the applicable requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) for revising the relevant annual cap;
- (4) the Company, through its various departments (including the Internal Business Insiders, legal and financial teams) and senior management, periodically updating the Board (including the independent non-executive Directors) of their results from, among others, the reviews/monitoring in (1) to (3) above, with the Board, in turn, reviewing the terms of the connected transactions to ensure that such transactions are entered into on normal commercial terms, are fair and reasonable, and carried out pursuant to their respective contractual terms;
- (5) in case of any proposed change to the major terms of the transactions, ensuring that the Company complies with all applicable requirements under the Listing Rules, including publishing an announcement, before such change becomes effective; and
- (6) the Company’s external auditor conducting an annual review of the connected transactions conducted during the financial year in accordance with the Listing Rules.

Further details in relation to the Company’s continuing connected transactions will be set out in the Company’s upcoming annual report for the financial year ended 31 May 2022, which will be published on the websites of the Stock Exchange and the Company in due course.

The Company would like to, once again, remind investors that information not published by the Company may not represent the actual state of the Company and the Company is not responsible for the accuracy and/or completeness of such information. Investors should not rely on information that is not published by the Company when making investment decisions, and instead, should refer to announcements made by the Company and published on the websites of the Stock Exchange and the Company.

Shareholders of the Company and prospective investors are advised to exercise caution and should not rely on media coverage or any other information that is not published by the Company when dealing in the shares and other securities of the Company.

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

Hong Kong, 24 June 2022

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 Zheyang, Mr. TONG Sui Bau and Mr. KWONG Wai Sun Wilson as independent non-executive Directors.