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**Huali University Group Limited**  
**华立大学集团有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1756)**

**LATEST UPDATE IN RELATION TO  
THE CONVERSION OF HUALI COLLEGE  
GUANGDONG UNIVERSITY OF TECHNOLOGY**

This announcement is made by Huali University Group Limited (the “**Company**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the business development of the Company.

**APPROVAL FOR THE CONVERSION OF HUALI COLLEGE**

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the announcement of the Company dated January 28, 2021 in relation to the conversion of Huali College Guangdong University of Technology (廣東工業大學華立學院) (“**Huali College**”).

The Board is pleased to announce that Huali College has obtained the approval from the Ministry of Education of the PRC (“**MOE**”) for converting from a private independent college into an independently established private general undergraduate college (the “**Conversion of Huali College**”). Upon the completion of the Conversion of Huali College, Huali College will change its name into “Guangzhou Huali College\* (廣州華立學院)”, and will recruit students under the new school name and manage the students according to the management system of the new college.

**REASONS AND BENEFITS OF THE CONVERSION OF HUALI COLLEGE**

The Board is of the view that:

- (i) according to the Implementation Plan for Accelerating the Conversion of Independent Colleges\* (《關於加快推進獨立學院轉設工作的實施方案》) issued by the MOE, the MOE will “provide further supports to the converted schools in terms of enrolment plans, project application and discipline settings, etc.; and encourage the local government where the school is situated to provide policy support in terms of per-student allocation, financial rewards and subsidies, discount loan, talents recruitment, procurement services, land supply, tax exemption and reduction, financial support, etc.”;

- (ii) after the Conversion of Huali College, the newly established private general undergraduate college will no longer pay any Joint Tuition Support Fee to GDUT, thereby reducing the Group's costs and expenses and enhancing the Group's profitability;
- (iii) the Conversion of Huali College is expected to further release the student incremental potential and increase the student enrollment of the newly established private general undergraduate college, thereby enhancing the Group's revenue; and
- (iv) the Conversion of Huali College will allow the Group to offer high-end and high-quality higher vocational education that has a strong market demand, thereby enhancing its own core competitiveness and its high-quality education brand.

The Board therefore considers that the Conversion of Huali College is in the interests of the Company and its shareholders as a whole.

By Order of the Board  
**Huali University Group Limited**  
**Zhang Zhifeng**  
*Chairman*

Hong Kong, July 21, 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Zhifeng, Mr. Ye Yaming and Mr. Ma Zhixiong; the non-executive Director is Mr. Zhang Yude; and the independent non-executive Directors are Ms. Chiu Lai Kuen Susanna, M.H., J.P., Mr. Yang Ying and Mr. Ding Yi.*

\* *For identification purposes only*