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China General Education Group Limited

中国通才教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2175)

FURTHER ANNOUNCEMENT IN RELATION TO CHANGE OF AUDITOR

This announcement is made by China General Education Group Limited (the “**Company**”) pursuant to Rules 13.09 and 13.51(4) 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 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 29 November 2022 and 16 December 2022, in relation to the delay in publication of annual results for the year ended 31 August 2022 (the “**2022 Annual Results**”) and the 2022 annual report, the announcement of the Company dated 10 January 2023 in relation to the resumption guidance (the “**Resumption Guidance**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the announcements of the Company dated 28 February 2023 and 25 May 2023, in relation to the quarterly update on the resumption progress and the delay in publication of the 2023 Interim Results and the 2023 Interim Report (collectively, the “**Announcements**”), the announcement of the Company dated 7 July 2023 in relation to the update on the independent investigation, the announcement of the Company dated 25 August 2023 in relation to the quarterly update on the resumption progress and the announcement of the Company dated 7 September 2023 in relation to the change of auditor. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

BOARD’S VIEW REGARDING THE RESIGNATION OF AUDITOR

As disclosed in the announcement of the Company dated 7 September 2023, Ernst & Young (“**EY**”) resigned as the auditor of the Company with effect from 1 September 2023 and EY set out certain matters that it thought need to be brought to the attention of the shareholders or creditors of the Company, which were disclosed in the same announcement.

The board of directors of the Company (the “**Board**”) and the audit committee of the Board would like to emphasize that (i) upon the receipt of EY’s request to conduct an independent investigation on the Allegations, the Company met with several investigation specialists in December 2022 and January 2023 and formally engaged one of the international accounting firms as the Investigation Specialists in February 2023; (ii) EY provided comments on the proposed scope of the Investigation by the Investigation Specialists during the meeting among EY, the audit committee and the Investigation Specialists (which were engaged afterwards) on 20 January 2023 and the Investigation Specialists accepted all of EY’s comments on the investigation scope and proceeded to conduct the investigation in accordance with such scope as commented by EY; (iii) in addition to the Investigation by the Investigation Specialists, EY also requested to conduct concurrent shadow investigations. The Company was prepared to accept EY’s request to conduct shadow investigations, but could not reach consensus with EY on its fees to conduct such concurrent shadow investigations despite numerous communications with EY; (iv) with respect to the correspondences with the Stock Exchange, the Company understood it is legally obliged to maintain confidentiality; (v) in addition, EY also increased its audit fee for the 2022 Annual Results, to which the Company had not yet been able to reach consensus with EY. Based on the Company’s communications with EY, they would not continue the audit work for the 2022 Annual Results until the shadow investigations are finalized. The Board is concerned that protracted discussions with EY may result in further delay in the audit and publication of the 2022 Annual Results which subsequently will negatively affect the overall progress of the resumption in trading of the Company’s shares; and (vi) with respect to the issues identified prior to the suspension of EY’s audit as mentioned by EY in its resignation letter and as disclosed in the announcement of the Company dated 7 September 2023, the Board, having discussed with the incoming auditor, Moore CPA Limited, and having considered its audit plan, is of the view that they are capable to audit the issues identified by EY according to Hong Kong Standard on Auditing.

Save as disclosed in the announcement of the Company dated 7 September 2023 and this announcement, the Board is not aware of any other matter in relation to EY’s resignation that needs to be brought to the attention of the shareholders, creditors and other stakeholders of the Company. The Independent Investigation Committee is reviewing the contents and findings of the investigation report and the Company is also seeking the advice of professional advisors to formulate possible course of actions in light of the findings of the investigation report. The Company will publish further announcement(s) of any material development in the process of the Investigation as and when necessary.

APPOINTMENT OF AUDITOR

As disclosed in the announcement of the Company dated 7 September 2023, the Board had resolved, with the recommendation of the audit committee of the Board, to appoint Moore CPA Limited (formerly known as Moore Stephen CPA Limited) as the new auditor of the Company to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. Moore CPA Limited has completed its internal procedures for such appointment and it acts as the Company’s auditor with effect from 15 September 2023.

The Company will make further announcements with respect to the publication of (i) 2022 Annual Results and the 2022 annual report and (ii) the 2023 Interim Results and the 2023 Interim Report in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 29 November 2022 and is currently expected to remain suspended until the Company fulfills the Resumption Guidance.

By order of the Board
China General Education Group Limited
NIU Sanping
Chairman

Hong Kong, 25 September 2023

As at the date of this announcement, the executive directors are Mr. Niu Sanping, Mr. Niu Jian, Mr. Niu Xiaojun and Ms. Zhang Zhonghua; and the independent non-executive directors are Mr. Zan Zhihong, Mr. Hu Yuting and Mr. Wong Chi Wah.