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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS AND DELAY IN PUBLICATION OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2023 AND THE DISPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2023

This announcement is made by China General Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A 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 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 (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, the announcement of the Company dated 7 September 2023 in relation to the change of auditor, the further announcement of the Company dated 25 September 2023 in relation to the change of auditor and the announcement of the Company dated 7 November 2023 in relation to the Stock Exchange’s additional resumption guidance. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATES REGARDING BUSINESS OPERATION

The Group is principally engaged in the provision of private higher education in Shanxi Province, the People’s Republic of China (the “**PRC**”) and operates a college, Shanxi Technology and Business College, in Taiyuan City, Shanxi Province, the PRC. Notwithstanding the suspension of trading in the shares of the Company, the Group is carrying on its business operations as usual and will continue to closely monitor its financial position and business operations.

UPDATE ON PROGRESS OF RESUMPTION

As disclosed in the announcements of the Company dated 10 January 2023 and 7 November 2023, the Stock Exchange has set out the following guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”):

- (a) conduct an appropriate independent investigation into the Allegations, announce the findings and take appropriate remedial actions;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (c) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
- (d) announce all material information for the Company’s shareholders and investors to appraise its position; and
- (e) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meeting the obligations under the Listing Rules.

The Stock Exchange requires the Company to meet the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in its shares is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicated that it may modify the Resumption Guidance and/or give further guidance as and when appropriate.

Pursuant to Rule 13.24A of the Listing Rules, the board of directors of the Company (the “**Board**”) wishes to update the shareholders and potential investors of the Company on the progress of the Company’s fulfilment of the Resumption Guidance as of the date of this announcement which is summarized below.

Independent Investigation into the Allegations

The Independent Investigation Committee has completed its review of the investigation report and is currently in the process of forming its conclusive view. In response to the findings outlined in the investigation report, the Company has already implemented a series of remedial actions. These actions include, but are not limited to, the engagement of an internal control consultant to conduct a comprehensive review of the Group’s internal control systems and procedures.

The Company will continue to formulate and take appropriate remedial actions as needed in light of the findings of the investigation report and the recommendations of the Independent Investigation Committee.

The Company will publish further announcement(s) of any material development in the process of the Investigation as and when necessary.

Outstanding Financial Results

As of the date of this announcement, the Company is still working hard to prepare for the 2022 Annual Results and the 2022 annual report. After the completion of the Investigation, the Company will finalize and publish the 2022 Annual Results and dispatch the 2022 annual report as soon as possible.

The Company will publish further announcement(s) to inform the shareholders and potential investors of the progress of the publication of the 2022 Annual Results and the 2022 annual report as and when appropriate.

As the 2022 Annual Results have not been finalized and may have impact on the 2023 Interim Results, the publication of the 2023 Interim Results is therefore postponed, pending the finalization and publication of the 2022 Annual Results. It is expected that the 2023 Interim Results will be published shortly after the publication of the 2022 Annual Results and the 2022 annual report. The Company will inform the shareholders and potential investors of material developments relating to the publication of the 2023 Interim Results and the 2023 Interim Report as and when appropriate.

Engagement of Internal Control Consultant

As one of the conditions for resumption of trading of shares stated in the Resumption Guidance, the Company should conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules.

As recommended by the Independent Specialists and to assist the Company in fulfilling this condition, the Board has engaged an internal control consultant to conduct a review of the internal control systems and procedures of the Group, identify any defects in the internal control systems and procedures of the Group and make recommendations accordingly.

DELAY IN PUBLICATION OF 2023 ANNUAL RESULTS AND DISPATCH OF 2023 ANNUAL REPORT

Pursuant to Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, the Company is required to publish an announcement in respect of its preliminary results for the year ended 31 August 2023 (the “**2023 Annual Results**”) not later than three months after the end of the financial year, i.e. by 30 November 2023 and dispatch the annual report for the same period (the “**2023 Annual Report**”) to the shareholders not more than four months after the end of the financial year to which they relate, i.e. by 31 December 2023.

As the 2022 Annual Results have not been finalized and may have impact on the 2023 Annual Results, the Company is unable to issue the 2023 Annual Results within the prescribed time in accordance with the Listing Rules. As a result of the delay in the publication of the 2023 Annual Results, there will also be a delay in the dispatch of the Company’s 2023 Annual Report in accordance with Rule 13.46(2)(a) of the Listing Rules.

Pursuant to Rule 13.49(3) of the Listing Rules, where an issuer is unable to make an announcement of its preliminary results, so far as the information is available, it must announce its results for the financial year based on the financial results which have yet to be agreed with the auditors. Due to the delay in the publication of the 2022 Annual Results and the 2023 Interim Results, after due and careful consideration, the Board is of the view that it would not be appropriate for the Company to publish the unaudited consolidated management accounts of the Group for the year ended 31 August 2023 (the “**2023 Unaudited Management Accounts**”) at this stage pursuant to Rule 13.49(3) of the Listing Rules as they might not accurately reflect the financial performance and position of the Group and the publication of the 2023 Unaudited Management Accounts might cause confusion and be misleading to the shareholders and potential investors of the Company.

It is expected that the 2023 Annual Results will be published shortly after the publication of the 2022 Annual Results, the 2022 annual report, the 2023 Interim Results and the 2023 Interim Report. The Company will inform the shareholders and potential investors of material developments relating to the publication of the 2023 Annual Results and the 2023 Annual Report as and when appropriate.

RESUMPTION PLAN

The Company is still devising and considering its resumption plan and will continue to work with its professional advisors to advance the resumption progress in order to satisfy the requirements under the Resumption Guidance and the Listing Rules and to ensure the resumption of trading of the Company’s shares. As mentioned above, the Company is making effort to prepare and publish the outstanding financial results and continues to strive for satisfaction of the requirements of the Resumption Guidance.

The Company will publish further announcement(s) of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development of the resumption status pursuant to Rule 13.24A of the Listing Rules.

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, 27 November 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.