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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)**

### **SUPPLEMENTAL ANNOUNCEMENT MAJOR TRANSACTIONS STRUCTURED DEPOSIT AGREEMENTS**

Reference is made to the announcement of China General Education Group Limited (the “**Company**”) dated 7 December 2021 in relation to Post-Listing Structured Deposit Agreements with SPD Bank (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 10 August 2021 and 11 November 2021, Shanxi Technology & Business entered into the Structured Deposit Agreement (August 2021) and Structured Deposit Agreement (November 2021) with SPD Bank, pursuant to which Shanxi Technology & Business agreed to subscribe for structured deposit products offered by SPD Bank, each with a principal amount of RMB400,000,000.

The Board would like to further announce that upon further internal verification, it was discovered that on 17 September 2021, Shanxi Technology & Business entered into Structured Deposit Agreement (September 2021) (together with Structured Deposit Agreement (August 2021) and Structured Deposit Agreement (November 2021), collectively the “**Post-Listing Structured Deposit Agreements**”) with SPD Bank for the subscriptions of structured deposit products with a principal amount of RMB140,000,000. The subscription is funded by idle funds of the Group and not by the proceeds from the Global Offering.

## THE STRUCTURED DEPOSIT AGREEMENT (SEPTEMBER 2021)

The principal terms of the Structured Deposit Agreement (September 2021) are set out as follows:

Date:	17 September 2021
Parties:	(i) Shanxi Technology & Business (ii) SPD Bank
Name of products:	Liduoduo Stable Profit (3 Months Bullish Network Point Only) RMB-Denominated Corporate Structured Deposit Phase 21JG6379* (利多多公司穩利21JG6379期(3個月看漲網點專屬)人民幣對公結構性存款)
Type of product:	Principal-guaranteed with variable return
Internal risk rating by the bank:	Low Risk
Subscription amount:	RMB140,000,000
Term of investment:	From 22 September 2021 to 22 December 2021
Expected annualized floating rate of return:	(1) If the observation price (as set out below) is lower than 93.90% of the initial price (as set out below), the expected annualized floating rate of return would be 0%. (2) If the observation price is higher than or equal to 93.90% but lower than 102.87% of the initial price (as set out below), the expected annualized floating rate of return would be 1.75%. (3) If the observation price is higher than or equal to 102.87% of the initial price (as set out below), the expected annualized floating rate of return would be 1.95%.

The initial price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on 23 September 2021.

The observation price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 2:00 p.m. (Beijing time) on 17 December 2021.

Principle for calculation of return and interest: Expected return = principal × (guaranteed return rate (1.40%) + annualized floating rate of return) × number of days of interest accrual ÷ 360; actual return is calculated based on simple interest

Right of early redemption: Shanxi Technology & Business has no right of early termination (redemption) for this product.

SPD Bank has the right to early terminate this product according to the actual investment situation without further notice to the customers, provided that it shall publish an information announcement at its branches, or websites or in other means within two working days before the date of early termination.

## **REASONS FOR AND BENEFITS FOR SUBSCRIPTION OF THE STRUCTURED DEPOSIT PRODUCTS PURSUANT TO THE POST-LISTING STRUCTURED DEPOSIT AGREEMENTS**

Shanxi Technology & Business funded the subscription of the structured deposit products pursuant to the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) by utilizing its idle funds. The structured deposit products under the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) are principal-protected and short-term investment products with low risk. The structured deposit products were issued by SPD Bank, which is a reputable commercial bank in PRC, and the expected returns were better than the prevailing fixed-term deposit interest rates offered by banks or licensed financial institutions. The Directors believe that the subscription of the structured deposit products pursuant to the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) would efficiently and reasonably utilize the idle funds of the Group with secured returns. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the terms of the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) were arrived at after the arm's length negotiation and the transaction contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) and the Pre-Listing Structured Deposit Agreements were entered into with the same bank and were of similar nature and within a 12-month period, the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) shall be aggregated with the Pre-Listing Structured Deposit Agreements, for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable ratio of the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)), as aggregated with the Pre-Listing Structured Deposit Agreements, exceeds 25% but is less than 100%, the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) constitutes major transactions for the Company and therefore shall subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve, confirm and/or ratify the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) if the Company were to convene a general meeting to approve, confirm and/or ratify the same. The Company has received written certificate to approve, confirm and ratify the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)) from Niusanping Limited and Niujian Limited, being a closely allied group of Shareholders, which together hold 375,000,000 issued shares of the Company (representing approximately 74.18% of the total issued shares of the Company) as at the date of this announcement, in accordance with Rule 14.44 of the Listing Rules. No Shareholders' meeting will be convened by the Company to approve, confirm and/or ratify the Post-Listing Structured Deposit Agreements (including the Structured Deposit Agreement (September 2021)).

## **REMEDIAL ACTIONS**

Pursuant to Rule 14.34 of the Listing Rules, after the terms of a major transaction have been finalised, the Company must publish an announcement as soon as possible. The transaction in respect of the Post-Listing Structured Deposit Agreements was entered into after the Listing Date and was subject to such requirement pursuant to Rule 14.34 of the Listing Rules.

As the structured deposit products are principal-guaranteed in nature, the responsible staff of the Company believed that they are equivalent to fixed deposits, without realizing that the subscription of structured deposit products would constitute "transactions" under Chapter 14 of the Listing Rules. As a result, the Company did not publish an announcement of the Post-Listing Structured Deposit Agreements in a timely manner. Subsequently, the Company discovered this matter and make this announcement on its initiative.

The Company deeply regrets the delay of the publication of this announcement, and it would like to stress that such delay was inadvertent and the Company had no intention to withhold any information relating to the subscription of the structured deposit products from disclosure.

To prevent the reoccurrence of the such delay, the Company has adopted various measures as disclosed in the Announcement. For details, please refer to the Announcement.

## **DESPATCH OF CIRCULAR**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Post-Listing Structured Deposit Agreements and the transactions under it; and (ii) financial information of the Group shall be despatched within 15 business days after publication of the Announcement, i.e. on or before 29 December 2021. Since the Company requires additional time to allow for preparation of the disclosure of certain financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in private higher education in the PRC. Shanxi Technology & Business is a private undergraduate college in the PRC and an affiliated entity of the Company.

SPD Bank is a licensed bank in the PRC and a joint stock company established under the laws of the PRC, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 600000).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SPD Bank and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The additional information as disclosed above do not affect any other information contained in the Announcement and all other information and content set out in the Announcement shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 15 December 2021

*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. Yau Wai Man Philip.*