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Virscend Education Company Limited **成實外教育有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

RESUMPTION GUIDANCE AND QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by Virscend Education Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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) (the “**SFO**”).

Reference is made to the announcements (the “**Announcements**”) of the Company, dated 30 November 2021 and 13 January 2022, in relation to, among other things, (1) delay in publication of the audited annual results for the eight months ended 31 August 2021 of the Group (the “**2021 Annual Results**”) and (2) the unaudited annual results of the Group for the eight months ended 31 August 2021. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined used in the Announcements.

RESUMPTION GUIDANCE

On 18 February 2022, the Company received a letter from the Stock Exchange setting out the following guidance (the “**Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- (i). publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii). demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
and

- (iii). inform the market of all material information of the Company's shareholders and investors to appraise the Company's position.

The Stock Exchange requests the Company to remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicates that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 29 May 2023. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 29 May 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, when appropriate.

Pursuant to Rule 13.24A of the Listing Rules, the Company is required to announce quarterly updates on its developments including, among other relevant things, its business operations, its resumption plan and the progress of implementation of and any material changes to the resumption plan. The first quarterly update will be announced on or before 28 February 2022 and further quarterly updates will be announced every 3 months from that date until the resumption or cancellation of listing (whichever is earlier).

The Company is actively supporting its auditor to conduct their work with a view to publish the 2021 Audited Annual Results as soon as possible. The Company will make its best efforts to fulfill the Resumption Guidance, fully comply with the Listing Rules to the Stock Exchange's satisfaction and will seek to resume trading in its shares as soon as possible.

QUARTERLY UPDATES REGARDING BUSINESS OPERATION

The Group conducts private education business through the PRC operating entities in the PRC as PRC laws and regulations generally prohibit or restrict foreign ownership in the private education industry in the PRC. The Group obtains control over and derive the economic benefits from the PRC operating entities through the entering of the Structured Contracts. The PRC operating entities include those entities that engage in the operation of compulsory education (i.e. primary school and middle school) and/or non-compulsory education (i.e. high schools and university). As a result of the Implementation Rules of the People's Republic of China on the Law

Regarding the Promotion of Private Education (《中華人民共和國民辦教育促進法實施條例》) issued by the PRC State Council on 14 May 2021 and took effect on 1 September 2021, the Group concluded it lost control over those PRC operating entities providing compulsory education services since 31 August 2021. As at the date of this announcement, the operation of all schools by PRC operating entities remains as normal.

The Company currently expects that the audited results announcement will be published by around end of March 2022.

RESUMPTION PLAN

The Company is considering the resumption plan and taking appropriate steps to comply with the Resumption Guidance and the Listing Rules as stated in the Letter in order to ensure the resumption of trading of the Company's shares. Further announcement(s) on the progress the plan will be made by the Company once more specific details are confirmed.

CONTINUED SUSPENSION OF TRADING

Trading in shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 30 November 2021, pending the publication of the 2021 Annual Results and will remain suspended until the Company fulfills the Resumption Guidance.

By order of the Board of
Virscend Education Company Limited
Wang Xiaoying
Chairwoman

Hong Kong, 28 February 2022

As at the date of this announcement, the executive directors of the Company are Ms. Wang Xiaoying, Mr. Ye Jiayu, Mr. Yan Yude and Mr. Deng Bangkai; and the independent non-executive directors of the Company are Mr. Sit Chiu Wing, Mr. Chan Kim Sun and Mr. Wen Ruizheng.