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China Education Group Holdings Limited

中國教育集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 839)

**PARTIAL REPURCHASE AND CANCELLATION OF
HK\$2,355,000,000 2.0 PER CENT. CONVERTIBLE BONDS DUE 2024**

(Stock Code: 5926)

Reference is made to the announcements of China Education Group Holdings Limited (the “**Company**”) dated 22 March 2019 and 28 March 2019 in relation to the issue of HK\$2,355,000,000 2.0 per cent. convertible bonds due 2024 (the “**Convertible Bonds**”), dated 14 February 2022 and 16 February 2022 in relation to the repurchase of the Convertible Bonds and dated 9 March 2022 and 28 March 2022 in relation to the redemption of the Convertible Bonds.

Pursuant to Condition 8(G) (*Purchase*) of the terms and conditions of the Convertible Bonds, the Company or any of its subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the Convertible Bonds at any price in the open market or otherwise.

The Company announces that on 29 August 2022, the Company further repurchased HK\$115,000,000 in aggregate principal amount of the Convertible Bonds the “**Repurchased Convertible Bonds**”) with the rights to convert into 8,363,636 shares of the Company, representing approximately 4.88% of the aggregate principal amount of the Convertible Bonds originally issued. The average repurchase price is HK\$949,500 per HK\$1,000,000 principal amount of the Convertible Bonds (i.e. at 94.95% of the face value of the Convertible Bonds).

Together with the Convertible Bonds repurchased and redeemed in February 2022 and March 2022, the Company had in aggregate repurchased and redeemed approximately 99.83% of the Convertible Bonds originally issued. The aforesaid repurchase of the Repurchased Convertible Bonds was funded by internal resources of the Group. The board of directors of the Company (the “**Board**”) considered that there will be no material impact on the financial position of the Company as a result of the aforesaid repurchase of the Repurchased Convertible Bonds. The Board believes that the repurchase and subsequent cancellation of the Repurchased Convertible Bonds could enhance the return to the shareholders of the Company. In addition, the Board believes that the repurchase of Convertible Bonds reflects the Company’s confidence in its long-term business prospects.

The Repurchased Convertible Bonds are expected to be cancelled as soon as practicable. After cancellation, the aggregate principal amount of the Convertible Bonds that remains outstanding will be HK\$4,000,000, representing approximately 0.17% of the aggregate principal amount of the Convertible Bonds originally issued.

The Company may or may not repurchase further Convertible Bonds in the future. Holders of the Convertible Bonds (the “Bondholders”) and potential investors should note that any repurchase of Convertible Bonds from time to time by the Company will be at the Company’s sole and absolute discretion. There is no assurance of the timing, amount or price of any repurchase of the Convertible Bonds or whether the Company will make any further repurchase at all. Bondholders and potential investors should therefore exercise caution when dealing in any Convertible Bonds.

By order of the Board
China Education Group Holdings Limited
Yu Guo Xie Ketao
Co-Chairmen

Hong Kong, 29 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Yu Guo, Mr. Xie Ketao, Dr. Yu Kai and Ms. Xie Shaohua, and the independent non-executive directors of the Company are Dr. Gerard A. Postiglione, Dr. Rui Meng and Dr. Wu Kin Bing.