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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)**

**COMPLETION OF TOP-UP PLACING OF EXISTING SHARES AND  
SUBSCRIPTION FOR NEW SHARES  
UNDER GENERAL MANDATE**

**Sole Overall Coordinator and Sole Placing Agent**



The Company is pleased to announce that completion of the Placing and the Subscription took place on 12 January 2023 and 17 January 2023, respectively. The Company received total net proceeds of approximately HK\$1.60 billion (net of related costs, professional fees and out-of-pocket expenses) and intends to use the same for the expansion of school network (including campus development and potential mergers and acquisitions) and working capital purposes.

Reference is made to the announcement of the Company dated 10 January 2023 (the “**Announcement**”) in relation to, among other things, the Placing and the Subscription. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

**COMPLETION OF THE PLACING AND THE SUBSCRIPTION**

The Company is pleased to announce that completion of the Placing and the Subscription took place on 12 January 2023 and 17 January 2023, respectively.

A total of 147,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$10.94 per Share to not less than six independent places selected and/or procured by or on behalf of the Placing Agent. The Placing Agent, the places and their respective ultimate beneficial owners are third parties independent of and not connected with the Company, any director, chief executive or substantial shareholder (including Blue Sky and White Clouds) of the Company or any of its subsidiaries, or any of their respective associates, and not acting in concert with Blue Sky and White Clouds and its concert parties. None of the places and their ultimate beneficial owners has become a substantial shareholder (as defined under the Listing Rules) of the Company upon taking up the Placing Shares.

Further, all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 17 January 2023. A total of 147,000,000 Subscription Shares (equal to the number of the Placing Shares successfully placed under the Placing) were subscribed by Blue Sky and White Clouds at the net Subscription Price (after deduction of related costs and expenses in relation to the Placing and the Subscription) of approximately HK\$10.87 for each Subscription Share. The Subscription Shares represent approximately 5.81% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Company received total net proceeds of approximately HK\$1.60 billion (net of related costs, professional fees and out-of-pocket expenses) and intends to use the same for the expansion of school network (including campus development and potential mergers and acquisitions) and working capital purposes.

## EFFECT OF THE PLACING AND THE SUBSCRIPTION

The table below sets out the shareholding structure of the Company before and after the Placing and the Subscription:

Shareholders	Immediately before completion of the Placing and Subscription		Immediately after completion of the Placing but before the Subscription <sup>(Note 2)</sup>		Immediately after completion of the Placing and the Subscription <sup>(Note 2)</sup>	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Controlling Shareholders <sup>(Note 1)</sup>	1,501,400,000	63.00	1,354,400,000	56.34	1,501,400,000	58.86
<b>Public</b>						
Places	N/A	N/A	147,000,000	6.12	147,000,000	5.76
Other public shareholders	<u>881,747,387</u>	<u>37.00</u>	<u>902,434,455</u>	<u>37.54</u>	<u>902,434,455</u>	<u>35.38</u>
<b>Total</b>	<u><u>2,383,147,387</u></u>	<u><u>100.00</u></u>	<u><u>2,403,834,455</u></u>	<u><u>100.00</u></u>	<u><u>2,550,834,455</u></u>	<u><u>100.00</u></u>

*Notes:*

- 1 The controlling Shareholders, being Blue Sky and White Clouds, each holds 750,700,000 Shares, 677,200,000 Shares and 750,700,000 Shares, immediately before completion of the Placing and Subscription, immediately after completion of the Placing but before the Subscription, and immediately after completion of the Placing and the Subscription, being approximately 31.50%, 28.17% and 29.43% of the issued share capital of the Company (as enlarged by the allotment and issue of the 20,687,068 new Shares as mentioned in note 2 below and the allotment and issue of the Subscription Shares, as the case may be). Blue Sky, White Clouds, Mr. Yu Guo and Mr. Xie Ketao entered into the Concert Party Agreement to align their shareholding interests in the Company, pursuant to which Blue Sky, White Clouds, Mr. Yu Guo and Mr. Xie Ketao agreed to vote in concert with each other for all operational and other matters at Board meetings or Shareholders' meeting of the Company (through himself, Blue Sky or White Clouds, as the case may be).
- 2 The total number of issued Shares included 20,687,068 new Shares allotted and issued by the Company on 13 January 2023 to settle part of the consideration for the acquisition of Long Link Investment Limited, details of which are set out in the announcements of the Company dated 26 July 2021, 10 August 2021 and 14 September 2021.

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

Hong Kong, 17 January 2023

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