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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)

PROPOSED ISSUE OF INVESTMENT GRADE GUARANTEED BONDS

The Company proposes to issue the Bonds to certain institutional investors, which will be unconditionally and irrevocably guaranteed by CGIF. In connection with the proposed Bonds Issue, CGIF and the Company will provide certain institutional investors with an offering circular containing recent corporate and financial information regarding the Group, including but not limited to, risk factors, capitalisation and indebtedness information, description of CGIF, description of the Group and terms and conditions of the Bonds.

The completion of the proposed Bonds Issue is subject to, among other things, market conditions and investors' interest. China International Capital Corporation Hong Kong Securities Limited, Standard Chartered Bank, China CITIC Bank International Limited, Bank of Communications Co., Ltd. Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Natixis and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch are managing the proposed Bonds Issue. If the Bonds are issued, the proceeds from the offering of the Bonds are proposed to be used for the construction and expansion of the onshore schools operated by the Group, and replenishment of working capital offshore.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed in this announcement. Admission of the Bonds to the Official List of the SGX-ST and quotation of the Bonds on the SGX-ST are not to be taken as an indication of the merits of the Company, CGIF or the Bonds. No listing of the Bonds has been, or will be, sought in Hong Kong.

As no binding agreement in relation to the proposed Bonds Issue and the Guarantee has been entered into as at the date of this announcement, the proposed Bonds Issue may or may not complete. The completion of the proposed Bonds Issue is subject to, among other things, market conditions and investors' interest. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Bonds Issue and the Guarantee will be made by the Company should the Subscription Agreement be signed.

BACKGROUND

The Company proposes to conduct an international offering of the Bonds to certain institutional investors, which will be unconditionally and irrevocably guaranteed by CGIF. In connection with the proposed Bonds Issue, CGIF and the Company will provide certain institutional investors with an offering circular containing recent corporate and financial information regarding the Group, including but not limited to, risk factors, capitalisation and indebtedness information, description of CGIF, description of the Group and terms and conditions of the Bonds.

Any Bonds to be issued and the Guarantee have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States, or any other jurisdiction, and may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws. The Bonds and the Guarantee will be offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. None of the Bonds and the Guarantee will be offered to the public in Hong Kong other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

REASONS FOR THE BONDS ISSUE

The Directors are of the view that raising of funds by the proposed Bonds Issue is a suitable opportunity for the Company to enhance its working capital and satisfy the needs of the Group’s continuous business development.

PROPOSED USE OF PROCEEDS

The completion of the Bonds Issue is subject to, among other things, market conditions and investors’ interest. China International Capital Corporation Hong Kong Securities Limited, Standard Chartered Bank, China CITIC Bank International Limited, Bank of Communications Co., Ltd. Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Natixis and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch are managing the proposed Bonds Issue. If the Bonds Issue proceeds, the proceeds from the offering of the Bonds are proposed to be used for the construction and expansion of the onshore schools operated by the Group, and replenishment of working capital offshore.

LISTING

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed in this announcement. Admission of the Bonds to the Official List of the SGX-ST and quotation of the Bonds on the SGX-ST are not to be taken as an indication of the merits of the Company, CGIF or the Bonds. No listing of the Bonds has been, or will be, sought in Hong Kong.

GENERAL

As no binding agreement in relation to the proposed Bonds Issue and the Guarantee has been entered into as at the date of this announcement, the proposed Bonds Issue may or may not complete. The completion of the proposed Bonds Issue is subject to, among other things, market conditions and investors' interest. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Bonds Issue and the Guarantee will be made by the Company should the Subscription Agreement be signed.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Bank of Communications Co., Ltd. Hong Kong Branch”	the joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee
“Board”	the board of Directors
“Bonds”	the bonds proposed to be issued by the Company and unconditionally and irrevocably guaranteed by CGIF
“Bonds Issue”	the issue of the Bonds by the Company
“CGIF”	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank
“China CITIC Bank International Limited”	the joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee
“China International Capital Corporation Hong Kong Securities Limited”	the lead joint global coordinator, joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee

“Company”	China Education Group Holdings Limited (中國教育集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and its consolidated affiliated entities
“Guarantee”	the unconditional and irrevocable guarantee to be given by CGIF
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Natixis”	the joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch”	the joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee
“Standard Chartered Bank”	the joint global coordinator, joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement proposed to be entered into among the Company, CGIF, China International Capital Corporation Hong Kong Securities Limited, Standard Chartered Bank, China CITIC Bank International Limited, Bank of Communications Co., Ltd. Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Natixis and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, in relation to the Bonds Issue

“The Hongkong and Shanghai Banking Corporation Limited”	the joint bookrunner and joint lead manager in respect of the offer and sale of the Bonds and the Guarantee
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended

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

Hong Kong, 12 April 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.