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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)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2023**

The Board is pleased to announce the interim results of the Group for the six months ended 28 February 2023.

#### **HIGHLIGHTS**

	<b>Six months ended 28 February 2023 (RMB million)</b>	<b>Six months ended 28 February 2022 (RMB million)</b>	<b>Change (RMB million)</b>	<b>Change (Percentage)</b>
Revenue	<b>2,775</b>	2,351	<b>424</b>	<b>18.0%</b>
Gross profit	<b>1,593</b>	1,394	<b>199</b>	<b>14.3%</b>
Adjusted net profit <sup>(i)</sup>	<b>1,104</b>	946	<b>158</b>	<b>16.7%</b>
Adjusted net profit attributable to owners of the Company <sup>(i)</sup>	<b>1,045</b>	908	<b>137</b>	<b>15.1%</b>
Adjusted EBITDA <sup>(i)</sup>	<b>1,676</b>	1,407	<b>269</b>	<b>19.1%</b>

Cash reserve was recorded RMB5,874 million as at 28 February 2023.

*Note:*

- i. Please refer to the Financial Review section for methods preparing the adjusted net profit, adjusted net profit attributable to owners of the Company and adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

The financial results for the six months ended 28 February 2023 and 2022 are as follows:

	<b>Six months ended</b>	
	<b>28 February 2023</b>	<b>28 February 2022</b>
	<i><b>RMB million</b></i>	<i><b>RMB million</b></i>
<b>Revenue</b>	<b>2,775</b>	2,351
Cost of revenue	<u><b>(1,182)</b></u>	<u>(957)</u>
<b>Gross profit</b>	<b>1,593</b>	1,394
Other income	<b>138</b>	95
Selling expenses	<b>(87)</b>	(73)
Administrative expenses	<u><b>(387)</b></u>	<u>(373)</u>
<b>Operating profit</b>	<b>1,257</b>	1,043
Investment income	<b>43</b>	23
Other gains and losses	<b>(41)</b>	(20)
Fair value change on convertible bonds	<b>–</b>	318
Finance costs	<u><b>(190)</b></u>	<u>(135)</u>
<b>Profit before taxation</b>	<b>1,069</b>	1,229
Taxation	<u><b>(33)</b></u>	<u>(22)</u>
<b>Net profit</b>	<u><b>1,036</b></u>	<u>1,207</u>
<b>Net profit attributable to owners of the Company</b>	<u><b>977</b></u>	<u>1,169</u>
<b>Adjusted net profit attributable to owners of the Company</b>	<u><b>1,045</b></u>	<u>908</u>

#### Non-IFRS Measures

To supplement our condensed consolidated financial statements, which are presented in accordance with International Financial Reporting Standards (“IFRS”), we also use adjusted net profit, adjusted net profit attributable to owners of the Company and adjusted EBITDA as additional financial measures.

We present these financial measures because they are used by our management to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. We also believe that these non-IFRS measures provide additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies. The use of non-IFRS measures has limitations as an analytical tool, as they do not include all items that impact on our results for the relevant periods. In light of the foregoing limitations for non-IFRS measures, when assessing our operating and financial performance, readers should not view the non-IFRS measures in isolation or as a substitute for our profit for the period or any other operating performance measure that is calculated in accordance with IFRS. In addition, because these non-IFRS measures may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

The calculations of adjusted net profit, adjusted net profit attributable to owners of the Company and adjusted EBITDA are as follows:

***Calculation of Adjusted Net Profit***

	<b>Six months ended</b>	
	<b>28 February 2023</b>	28 February 2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
<b>Net profit</b>	<b>1,036</b>	1,207
Adjustments for:		
Foreign exchange gain/loss	<b>21</b>	(1)
Share-based payments <sup>(i)</sup>	<b>17</b>	18
Imputed interest on deferred cash considerations <sup>(ii)</sup>	–	2
Fair value change on convertible bonds <sup>(iii)</sup>	–	(318)
Current period expenses related to conversion of independent colleges into private universities <sup>(iv)</sup>	<b>10</b>	17
Fair value change on construction cost payables for school premises <sup>(v)</sup>	<b>20</b>	21
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<b>Adjusted net profit</b>	<b>1,104</b>	946
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*Calculation of Adjusted Net Profit Attributable to Owners of the Company*

	<b>Six months ended</b>	
	<b>28 February 2023</b>	28 February 2022
	<i>RMB million</i>	<i>RMB million</i>
<b>Net profit attributable to owners of the Company</b>	<b>977</b>	1,169
Adjustments for:		
Foreign exchange gain/loss	<b>21</b>	(1)
Share-based payments <sup>(i)</sup>	<b>17</b>	18
Imputed interest on deferred cash considerations <sup>(ii)</sup>	–	2
Fair value change on convertible bonds <sup>(iii)</sup>	–	(318)
Current period expenses related to conversion of independent colleges into private universities <sup>(iv)</sup>	<b>10</b>	17
Fair value change on construction cost payables for school premises <sup>(v)</sup>	<b>20</b>	21
	<hr/>	<hr/>
<b>Adjusted net profit attributable to owners of the Company</b>	<b>1,045</b>	908
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## Calculation of Adjusted EBITDA

		<b>Six months ended</b>	
		<b>28 February 2023</b>	28 February 2022
		<b>RMB million</b>	<b>RMB million</b>
<b>Profit for the period</b>		<b>1,036</b>	1,207
Add:	Finance costs	<b>190</b>	135
	Taxation	<b>33</b>	22
	Depreciation of property, plant and equipment	<b>317</b>	272
	Depreciation of right-of-use assets	<b>29</b>	29
	Amortisation of intangible assets	<b>3</b>	5
<b>EBITDA</b>		<b>1,608</b>	1,670
Adjustments for:	Foreign exchange gain/loss	<b>21</b>	(1)
	Share-based payments <sup>(i)</sup>	<b>17</b>	18
	Fair value change on convertible bonds <sup>(iii)</sup>	<b>–</b>	(318)
	Current period expenses related to conversion of independent colleges into private universities <sup>(iv)</sup>	<b>10</b>	17
	Fair value change on construction cost payables for school premises <sup>(v)</sup>	<b>20</b>	21
<b>Adjusted EBITDA</b>		<b>1,676</b>	1,407

### Notes:

- i. Non-cash share-based payments recognised for share options granted to directors and employees of the Group, which did not result in cash outflow.
- ii. Non-cash imputed interest accrued because of consideration payments due over one year for the acquisitions, which did not result in cash outflow.
- iii. Non-cash fair value change on convertible bonds, which are measured at fair value through profit or loss and did not result in cash outflow.
- iv. The Group's independent colleges pay partnership fees to their public school co-sponsors. The independent colleges have been converted into private universities during the year ended 31 August 2021. The partnership fees recognised during the current period will cease to exist after all students enrolled by the independent college are graduated.
- v. Non-cash fair value change on long-term construction cost payables for school premises, which are measured at fair value through profit or loss, which did not result in cash outflow.

## **Revenue**

The Group's revenue reached RMB2,775 million for the six months ended 28 February 2023, up 18.0% as compared to RMB2,351 million for the six months ended 28 February 2022.

### ***Higher Vocational Education Segment***

Revenue from higher vocational education segment increased from RMB1,947 million for the six months ended 28 February 2022 to RMB2,348 million for the six months ended 28 February 2023, representing a 20.6% increase. The significant increase in revenue of higher vocational education institutions was mainly driven by the growth in student enrollment and revenue per student of higher vocational education institutions.

### ***Secondary Vocational Education Segment***

Revenue from secondary vocational education segment decreased slightly from RMB330 million for the six months ended 28 February 2022 to RMB320 million for the six months ended 28 February 2023, representing a 3.0% decrease. The decrease in revenue of secondary vocational education segment was due to a decrease in the number of students enrolled. The number of new students in certain schools has declined because of the prevention measures and social restrictions of coronavirus disease 2019. Although such restrictions have been relieved, the new student enrollments of these schools have not yet instantly and completely recovered. The Company will continue to closely monitor the market situation and will evaluate the recoverable amounts of the relevant assets in accordance with applicable accounting standards in due course.

### ***Global Education Segment***

Revenue from global education segment increased from RMB74 million for the six months ended 28 February 2022 to RMB107 million for the six months ended 28 February 2023, representing a 44.6% increase. The significant increase in revenue of global education segment was mainly driven by the increase in the number of new students after the travel bans resulted from coronavirus disease 2019 were lifted in February 2022.

## **Cost of Revenue**

The cost of revenue increased from RMB957 million for the six months ended 28 February 2022 to RMB1,182 million for the six months ended 28 February 2023, representing a 23.5% increase. The increase was mainly due to the expansion of the Group and the growth of student number. Furthermore, to improve the connotation construction of the schools and promote the high-quality development of the schools, the investment in teachers and teaching were increased.

## **Gross Profit**

The Group's gross profit was RMB1,593 million for the six months ended 28 February 2023, up 14.3% as compared to RMB1,394 million for the six months ended 28 February 2022.

## **Other Income**

Other income mainly included management fee income and government grants. The management fee income and government grants were increased from RMB48 million and RMB16 million for the six months ended 28 February 2022 to RMB59 million and RMB26 million for the six months ended 28 February 2023, respectively.

## **Selling Expenses**

The Group's selling expenses were RMB87 million for the six months ended 28 February 2023 as compared to RMB73 million for the six months ended 28 February 2022. The selling expenses represented about 3.1% of revenue for both the six months ended 28 February 2023 and the six months ended 28 February 2022.

## **Administrative Expenses**

The Group's administrative expenses were RMB387 million for the six months ended 28 February 2023 as compared to RMB373 million for the six months ended 28 February 2022. The increase was mainly attributable to the increase of student enrollment and the new campuses and buildings commencing to use and starting to recognise depreciation.

## **Operating Profit**

The operating profit amounted to RMB1,257 million for the six months ended 28 February 2023, increased by 20.5% as compared to RMB1,043 million for the six months ended 28 February 2022.

## **Fair Value Change on Convertible Bonds**

During the year ended 31 August 2022, the Company redeemed and repurchased convertible bonds with principal amounts of HK\$1,544 million and HK\$807 million, respectively. During the six months ended 28 February 2023, the principal amount of the convertible bonds that remains outstanding was HK\$4 million. The convertible bonds are classified as financial liabilities and are measured at fair values. During the six months ended 28 February 2023, no fair value change on convertible bonds was recognised in profit or loss (the six months ended 28 February 2022: the fair value gain of RMB318 million as a result of the decrease in fair value of convertible bonds).

## **Finance Costs**

The finance costs were increased from RMB135 million for the six months ended 28 February 2022 to RMB190 million for the six months ended 28 February 2023. For the six months ended 28 February 2023, the finance costs mainly represented i) the interest expenses on bank and other borrowings and bonds of RMB231 million (the six months ended 28 February 2022: RMB160 million) and ii) deduction of interest expenses capitalised in the cost of property, plant and equipment of RMB46 million (the six months ended 28 February 2022: RMB40 million). The increase in the interest expenses was aligned with the increase in the borrowings of the Group.

## **Net Profit and Return on Equity**

The adjusted net profit was increased by 16.7% to RMB1,104 million for the six months ended 28 February 2023 from RMB946 million for the six months ended 28 February 2022, after adjusting for the foreign exchange gain/loss, share-based payments, imputed interest on deferred cash considerations, fair value change on convertible bonds, current period expenses related to conversion of independent colleges into private universities and fair value change on construction cost payables for school premises. The Group's net profit was decreased by 14.2% to RMB1,036 million for the six months ended 28 February 2023 from RMB1,207 million for the six months ended 28 February 2022. The drop in net profit was mainly attributable to the fair value gain on convertible bonds of RMB318 million recognised for the six months ended 28 February 2022 while no such gain recognised during the current reporting period. The adjusted net profit attributable to owners of the Company was increased by 15.1% to RMB1,045 million for the six months ended 28 February 2023.

The adjusted return on equity (which is calculated on the basis of annualised adjusted net profit attributable to owners of the Company to the average of the beginning and ending balance of equity attributable to owners of the Company) of the Group was 14.1% for the six months ended 28 February 2023 and remained sound and fair.

## **EBITDA**

Adjusting for the foreign exchange gain/loss, share-based payments, fair value change on convertible bonds, current period expenses related to conversion of independent colleges into private universities and fair value change on construction cost payables for school premises, the adjusted EBITDA was increased by 19.1% from RMB1,407 million for the six months ended 28 February 2022 to RMB1,676 million for the six months ended 28 February 2023. EBITDA was decreased to RMB1,608 million for the six months ended 28 February 2023 from RMB1,670 million for the six months ended 28 February 2022.



## **Property, Plant and Equipment**

Property, plant and equipment as at 28 February 2023 increased by 5.7% to RMB16,593 million from RMB15,700 million as at 31 August 2022. Increase in property, plant and equipment was mainly due to the construction of new campuses in Guangdong Province and new buildings of existing schools.

## **Capital Expenditures**

Our capital expenditures for the six months ended 28 February 2023 were RMB1,220 million (the six months ended 28 February 2022: RMB1,047 million) and were primarily related to construction of new campuses in Guangdong Province and new buildings of existing schools.

## **Cash Reserve**

Including bank balances and cash, restricted bank deposits, time deposits and structured deposits and money market funds recognised in financial assets at fair value through profit or loss, the cash reserve amounted to RMB5,874 million as at 28 February 2023 (31 August 2022: RMB5,521 million). The Group placed 147,000,000 Shares and received total net proceeds of HK\$1,598 million (equivalent to RMB1,406 million) in January 2023.

## **Liquidity, Financial Resources and Gearing Ratio**

As at 28 February 2023, the Group had cash reserve of RMB5,874 million (31 August 2022: RMB5,521 million).

As at 28 February 2023, the Group had bank and other borrowings and bonds of RMB8,423 million (31 August 2022: RMB8,888 million) and convertible bonds of RMB3 million (31 August 2022: RMB3 million).

As at 28 February 2023, the net gearing ratio (which is calculated on the basis of total amount of bank and other borrowings and bonds and convertible bonds, net of cash reserve, to total equity of the Group) was 14.0% (31 August 2022: 20.3%). As at 28 February 2023, the debt to asset ratio (which is calculated on the basis of total amount of bank and other borrowings and bonds and convertible bonds to total assets of the Group) was 24.2% (31 August 2022: 26.5%). Certain bank and other borrowings and proceeds from placement and bonds issue were not yet fully utilised. In order to have a better use of our financial resources, the Group placed certain structured deposits and money market funds during the six months ended 28 February 2023. The structured deposits and money market funds were short-term liquidity management products with minimal risk exposure and the Group held these investments for short-term cash management purpose.

## **Treasury Policy**

During the six months ended 28 February 2023, the Group has adopted a prudent treasury policy and maintained a robust liquidity structure. In the management of the liquidity risk, the Group monitors and maintains appropriate levels of financial resources to meet its funding needs.

## **Foreign Exchange Risk Management**

During the six months ended 28 February 2023, the Group operated schools in the PRC and Australia. The majority of the Group's revenue and expenditures are denominated in Renminbi and some in Australian dollars, the functional currencies of the relevant territories, except that certain expenditures are denominated in Hong Kong dollars and US dollars. The Group also has certain foreign currency bank balances, other borrowings and convertible bonds denominated in Hong Kong dollars and US dollars, which would expose the Group to foreign exchange risk. After assessing the cost and benefit, the Group did not use any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

## **Contingent Liabilities**

As at 28 February 2023, the Group had no significant contingent liability.

## **Charges on the Group's Assets**

As at 28 February 2023, the bank and other borrowings of the Group amounting to RMB6,649 million (31 August 2022: RMB5,831 million) were secured by tolling right of tuition fee, boarding fee and ancillary income, deposits, plant and equipment under sale and leaseback arrangements and equity interest of certain subsidiaries of the Group.

Saved as disclosed above, there was no other material charge on the Group's assets as at 28 February 2023.

## **BUSINESS OVERVIEW**

The Group is a leading provider of vocational education services. The Group is committed to developing more high-quality skilled professionals and enhancing the core competencies of vocational schools by cultivating a “dual-qualified” teaching workforce, establishing open regional academia-industry practice centers, expanding student development pathways, and innovating international exchange and cooperation mechanisms. The Group’s education management system has received ISO-9001 certification. For four consecutive years, Deloitte has named the Group one of China’s “Best Managed Companies”. The Group operates in China, Australia, and the United Kingdom and has been listed on the main board of the Hong Kong Stock Exchange since 2017. The World Bank Group has designated the Group as an “inclusive business” due to its successful promotion of social equity.

## **EVENT AFTER THE REPORTING PERIOD**

### **Issuance of Investment Grade Guaranteed Bonds**

On 12 April 2023, the Company announced its proposed issue of offshore CNY500 million investment grade guaranteed bonds due 2026. The bonds, which are guaranteed by the Asian Development Bank and are rated “AA” by Standard & Poor’s Global, are one of the first investment grade offshore RMB bonds issued by a Chinese education company. The bond proceeds will be mainly used for the construction and expansion of the onshore schools operated by the Group.

The issuance of the guaranteed bonds was completed on 19 April 2023 while the listing of the guaranteed bonds on the Singapore Exchange Securities Trading Limited became effective on 20 April 2023. Further details of the guaranteed bonds are set out in the announcements of the Company dated 12 April and 13 April 2023.

## **TOP-UP PLACING AND SUBSCRIPTION**

### **January 2021**

The net proceeds amounted to approximately HK\$2,012.6 million (net of related costs, professional fees and out-of-pocket expenses) from the subscription completed on 3 February 2021 have been partly utilised, and will be fully utilised in next six months for (1) potential acquisitions; and (2) expansion and development of the Group’s new campuses in the Greater Bay Area. The Group did not have material acquisition during the financial year ended 31 August 2022, and therefore results in delay in the use of proceeds. The purposes for the use of proceeds are consistent with the intentions previously disclosed in the Company’s announcements.

The following sets forth a summary of the utilisation of the net proceeds during the six months ended 28 February 2023:

Purpose	Percentage to total amount	Net proceeds amount <i>RMB (million)</i>	Unutilised	Utilised	Unutilised
			amount as at 1 September 2022 <i>RMB (million)</i>	amount during the period <i>RMB (million)</i>	amount as at 28 February 2023 <i>RMB (million)</i>
Expansion and development of the Group's new campuses in the Greater Bay Area	70%	1,177.0	–	–	–
Potential acquisitions	30%	504.4	93.3	–	93.3
	<u>100%</u>	<u>1,681.4</u>	<u>93.3</u>	<u>–</u>	<u>93.3</u>

Further details of the top-up placing and the subscription are set out in the Company's announcements dated 26 January 2021 and 3 February 2021.

### October 2021

The net proceeds amounted to approximately HK\$1,170.0 million (net of related costs, professional fees and out-of-pocket expenses) from the subscription completed on 27 October 2021 will be fully utilised in next twelve months for potential acquisitions in the modern-vocational education space. The Group did not have material acquisition during the financial year ended 31 August 2022 and the six months ended 28 February 2023, and therefore results in delay in the use of proceeds. The purposes for the use of proceeds are consistent with the intentions previously disclosed in the Company's announcements. As at 28 February 2023, none of the net proceeds has been utilised.

Further details of the top-up placing and the subscription are set out in the Company's announcements dated 19 October 2021 and 27 October 2021.

### January 2023

On 9 January 2023, Blue Sky, White Clouds and the Company entered into a placing agreement (the "Placing Agreement") with UBS AG Hong Kong Branch (the "Placing Agent") pursuant to which Blue Sky and White Clouds have agreed to appoint the Placing Agent, and the Placing Agent has agreed to procure independent placees (or failing which itself as principal) to purchase a total of 147,000,000 Shares at the placing price of HK\$10.94 per Share (the "Placing").

On the same day, Blue Sky, White Clouds and the Company entered into a subscription agreement (the “Subscription Agreement”), pursuant to which Blue Sky and White Clouds agree to subscribe for, and the Company agrees to issue to Blue Sky and White Clouds the subscription shares equivalent to the number of placing shares at HK\$10.94 per Share upon the terms and conditions set out in the Subscription Agreement (the “Subscription”).

The Placing and the Subscription were completed on 12 January 2023 and 17 January 2023 respectively. The placing shares were issued to more than six independent placees and they are all independent investors. The net proceeds amounted to approximately HK\$1.60 billion (net of related costs, professional fees and out-of pocket expenses) will be fully utilised in next twelve months for the expansion of school network (including campus development and potential mergers and acquisitions) and working capital purposes as previously disclosed in the Company’s announcements.

The following sets forth a summary of the utilisation of the net proceeds during the six months ended 28 February 2023:

<b>Purpose</b>	<b>Percentage to total amount</b>	<b>Net proceeds amount</b>	<b>Utilised amount during the period</b>	<b>Unutilised amount as at 28 February 2023</b>
		<i>RMB (million)</i>	<i>RMB (million)</i>	<i>RMB (million)</i>
Expansion of school network (including campus development and potential mergers and acquisitions)	90%	1,438.2	–	1,438.2
General working capital	10%	159.8	–	159.8
	<u>100%</u>	<u>1,598</u>	<u>–</u>	<u>1,598</u>

The Directors consider that the Placing and the Subscription will further strengthen the capital base of the Company to continue executing its industry consolidation strategy.

The aggregate nominal value of the subscription shares is HK\$1,470 and the net subscription price is approximately HK\$10.87 per Share. The subscription shares have a market value of approximately HK\$1,764 million based on the closing price of HK\$12 of the Shares on 9 January 2023, being the date of the Subscription Agreement.

Further details of the Placing and the Subscription are set out in the Company’s announcements dated 10 January 2023 and 17 January 2023.

## **EMPLOYEES AND REMUNERATION POLICIES**

### **Remuneration**

As at 28 February 2023, the Group had 14,925 employees (28 February 2022: 12,908), a 15.6% increase from 2022's due to organic growth in employees in our existing schools and new campuses.

The remuneration packages of the employees of the Group are determined with reference to individual qualification, experience, performance, contribution to the Group and prevailing market rate.

Remuneration policy of our schools is formulated under the guidance of the relevant laws and regulations of the local jurisdictions of our member schools and is also based on the industry characteristics as well as various market factors. Our member schools determine their respective compensation standards based on the employment by function (teachers, teaching assistants, administrative personnel and workers, etc.) and position. Schools participate in social insurance (pension, housing provident fund, medical, unemployment, work injury and maternity insurance) plans under the guidance of relevant national, provincial, and municipality policies and provide a variety of benefits for employees.

Our employees are members of retirement benefits schemes administrated by their respective jurisdictions. Employers and employees are required to contribute to the retirement benefits scheme in accordance with the respective local laws and regulations.

### **Recruitment**

The Group and its member schools follow the Labour Law, Labour Contract Law, Employment Promotion Law, Labour Dispute Mediation and Arbitration Law as well as other relevant laws and regulations of their respective local jurisdictions in the recruitment process. We prohibit discrimination of staff by age, sex, race, nationality, religion or disability, ensuring everyone has equal employment opportunities and respects.

Our schools recruit talents based on business development and operational needs, as well as candidate's integrity and professionalism. Our talent selection policy does not only focus on candidate's academic qualification, relevant work experience, past performance and professionalism, but also on candidate's morality, professional ethics and discipline. All candidates with employment offer will have to sign the employment contract as soon as reporting to work, and we stipulate the probation period according to law. Near the end of the probation period, human resources department will work with the candidates' respective

departments to conduct comprehensive assessments on new employees' performance and personality fit during the probation period according to job responsibilities and employment conditions, to decide whether we should officially offer the position as scheduled or ahead of the schedule, or terminate the employment.

We actively attract talents through contacting the target colleges, participating in talent recruitment fairs and industry conferences, and encourage employee referral through social media or various means. In addition, we provide pre-employment and on-the-job trainings such as assigning coaches (experienced teachers) for newly hired teachers to ensure they have faster and smoother transitions and integrations.

## **INTERIM DIVIDEND**

The Board declared an interim dividend of RMB16.38 cents (equivalent to HK18.58 cents, according to the central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 27 April 2023, i.e. RMB0.88166 equivalent to HKD1.00) per ordinary Share for the six months ended 28 February 2023 (for the six months ended 28 February 2022: nil) to be paid on Thursday, 20 July 2023, to Shareholders whose names appear on the register of members of the Company on Friday, 16 June 2023. The distribution equals to approximately 40% of the adjusted net profit attributable to owners of the Company.

The dividend will be paid to all Shareholders on an all-cash basis by default. Shareholders will also be provided with an option to receive the interim dividend wholly or partly in form of new fully paid Shares in lieu of cash. Such new Shares so issued will rank pari passu in all respect with the existing issued shares in the capital of the Company. The scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the scheme. Shareholders not making any election will be receiving the whole dividend in cash.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 12 June 2023.

## **CONVERTIBLE BONDS DUE 2024**

The Company completed the issue of convertible bonds due 2024 bearing interest at the rate of 2.0% per annum in an aggregate principal amount of HK\$2,355,000,000 on 28 March 2019 to enhance its working capital for the Group's continual business development. The convertible bonds were formally listed on the Stock Exchange on 29 March 2019 with stock code number 5926. During the six months ended 28 February 2023, the conversion price of the convertible bonds was adjusted from HK\$13.75 per Share to HK\$12.99 per Share due to the allotment and issue of 20,687,068 new Shares to settle part of the consideration of the acquisition of Long Link Investment Limited and the payment of final dividend for the year ended 31 August 2022.

During the six months ended 28 February 2023, no conversion of the convertible bonds had been exercised by any holders of the convertible bonds and no redemption or purchase or cancellation was made by the Company. As at 28 February 2023, the aggregate principal amount of the convertible bonds that remains outstanding was HK\$4,000,000. Upon full conversion of the outstanding convertible bonds, the Company may issue 307,929 Shares (based on the conversion price of HK\$12.99 per Share).

For details, please refer to the Company's announcements dated 22 and 28 March 2019, 14 and 16 February 2022, 9 and 28 March 2022 and 29 August 2022.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 28 February 2023, the Company repurchased a total of 3,923,000 ordinary Shares in September 2022 on the Stock Exchange with an aggregate consideration paid (before expenses) amounting to HK\$22,181,280.09. The highest and lowest price paid per Share of such repurchases are HK\$6.28 and HK\$5.35 respectively. All the Shares repurchased were subsequently cancelled. The Board considered that such repurchases would benefit the Company and create value to the Shareholders ultimately. Please refer to the Company's next day disclosure returns dated 6, 19, 27 and 28 September 2022 and 16 November 2022 for details of such repurchases and cancellation.

Save as disclosed above, during the six months ended 28 February 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## **CORPORATE GOVERNANCE PRACTICES**

During the six months ended 28 February 2023, the Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.



## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the Group's code of conduct to regulate the securities transactions of the Directors. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 28 February 2023.

## **AUDIT COMMITTEE**

The Audit Committee consists of three independent non-executive Directors and its main duties are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 28 February 2023.

Deloitte Touche Tohmatsu, the Company's auditor, had carried out review of the unaudited interim results of the Group for the six months ended 28 February 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaeducation.hk](http://www.chinaeducation.hk)). The interim report of the Company for the six months ended 28 February 2023 will be dispatched to the Shareholders and made available on the same websites in due course.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 28 February 2023*

	<i>NOTES</i>	<b>Six months ended</b>	
		<b>28 February 2023</b>	28 February 2022
		<b>RMB million (unaudited)</b>	<b>RMB million (unaudited)</b>
Revenue	3	2,775	2,351
Cost of revenue		<u>(1,182)</u>	<u>(957)</u>
Gross profit		1,593	1,394
Investment income	4	43	23
Other income		138	95
Other gains and losses		(41)	(20)
Fair value change on convertible bonds		–	318
Selling expenses		(87)	(73)
Administrative expenses		(387)	(373)
Finance costs		<u>(190)</u>	<u>(135)</u>
Profit before taxation		1,069	1,229
Taxation	5	<u>(33)</u>	<u>(22)</u>
Profit for the period	6	<u><u>1,036</u></u>	<u><u>1,207</u></u>
Other comprehensive expenses			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		<u>(1)</u>	<u>(3)</u>
Total comprehensive income for the period		<u><u>1,035</u></u>	<u><u>1,204</u></u>
Profit for the period attributable to:			
Owners of the Company		977	1,169
Non-controlling interests		<u>59</u>	<u>38</u>
		<u><u>1,036</u></u>	<u><u>1,207</u></u>
Total comprehensive income attributable to:			
Owners of the Company		976	1,166
Non-controlling interests		<u>59</u>	<u>38</u>
		<u><u>1,035</u></u>	<u><u>1,204</u></u>
Earnings per share	8		
Basic (RMB cents)		<u><u>40.06</u></u>	<u><u>49.08</u></u>
Diluted (RMB cents)		<u><u>40.06</u></u>	<u><u>33.21</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28 February 2023

		At 28 February 2023	At 31 August 2022
	<i>NOTE</i>	<i>RMB million</i> (unaudited)	<i>RMB million</i> (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		16,593	15,700
Right-of-use assets		2,215	2,101
Goodwill		3,833	3,835
Other intangible assets		5,091	5,100
Deposits paid for acquisition of property, plant and equipment/right-of-use assets		51	71
Contract costs		65	81
Other prepayments and deposits		48	78
Deferred tax asset		18	13
Restricted bank deposits		10	422
		<u>27,924</u>	<u>27,401</u>
<b>CURRENT ASSETS</b>			
Trade receivables, deposits, prepayments and other receivables	9	1,038	1,058
Financial assets at fair value through profit or loss		2,511	215
Contract costs		64	68
Restricted bank deposits		31	41
Bank balances and cash		3,302	4,793
		<u>6,946</u>	<u>6,175</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	58	56
Contract liabilities		2,817	3,178
Other payables and accrued expenses		2,537	1,992
Deferred income		59	61
Provisions		349	371
Lease liabilities		26	26
Income tax payable		88	98
Bank and other borrowings		2,325	1,831
		<u>8,259</u>	<u>7,613</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,313)</u>	<u>(1,438)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>26,611</u>	<u>25,963</u>

	At <b>28 February 2023</b> <i>RMB million</i> <b>(unaudited)</b>	At 31 August 2022 <i>RMB million</i> (audited)
<b>NON-CURRENT LIABILITIES</b>		
Other payables	<b>601</b>	613
Deferred income	<b>14</b>	15
Lease liabilities	<b>54</b>	67
Deferred tax liability	<b>1,632</b>	1,631
Bank and other borrowings and bonds	<b>6,098</b>	7,057
Convertible bonds	<b>3</b>	3
	<hr/> <b>8,402</b>	<hr/> 9,386
	<hr/> <b>18,209</b>	<hr/> 16,577
<b>CAPITAL AND RESERVES</b>		
Share capital	_*	_*
Reserves	<b>15,581</b>	14,008
	<hr/> <b>15,581</b>	<hr/> 14,008
Equity attributable to owners of the Company	<b>2,628</b>	2,569
Non-controlling interests	<b>2,628</b>	2,569
	<hr/> <b>18,209</b>	<hr/> 16,577

\* Less than RMB1 million

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 28 February 2023*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration of the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets of RMB1,313 million as at 28 February 2023. The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors of the Company consider that after taking into account the internal fund resources and issuance of bonds subsequent to the end of the reporting period, the Group will have sufficient working capital to satisfy its present requirements for at least twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 August 2022.

In the current interim period, the Group has applied the following amendments to International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board which are mandatory effective for the annual period beginning on or after 1 September 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020

The application of the amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

The Group is mainly engaged in the provision of private higher vocational and secondary vocational education institution services.

Revenue represents services income from education services (including tuition and boarding) and ancillary services.

Information reported to the Group's chief operating decision maker ("CODM"), being the directors of the Company, for the purpose of resource allocation and assessment of segment performance, was based on the categories of education institution, namely higher vocational education, secondary vocational education and global education.

- Higher vocational education institutions mainly deliver bachelor's degree programmes, junior college diploma programmes and continuing education programmes in the PRC;
- Secondary vocational education institutions mainly deliver secondary vocational diploma programmes, post-secondary vocational diploma programmes and technician diploma programmes in the PRC; and
- Global education institutions mainly deliver master's degree programmes, graduate certificate programmes, graduate diploma programmes, bachelor's degree programmes and undergraduate diploma programmes overseas.

The higher vocational education segment and secondary vocational education segment principally derive revenue by provision of education services (including tuition and boarding) and ancillary services while the global education segment principally derives its revenue by provision of tuition services. Each category of institution constitutes an operating segment and reportable segment.

## Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	<b>Higher vocational education RMB million</b>	<b>Secondary vocational education RMB million</b>	<b>Global education RMB million</b>	<b>Total RMB million</b>
<i>For the six months ended</i>				
<i>28 February 2023 (unaudited)</i>				
Revenue	<u>2,348</u>	<u>320</u>	<u>107</u>	<u>2,775</u>
Segment results	<u><u>1,143</u></u>	<u><u>114</u></u>	<u><u>17</u></u>	<u>1,274</u>
Investment income				43
Other gains and losses				(41)
Finance costs				(190)
Unallocated corporate income and expenses				<u>(17)</u>
Profit before taxation				<u><u>1,069</u></u>
	<b>Higher vocational education RMB million</b>	<b>Secondary vocational education RMB million</b>	<b>Global education RMB million</b>	<b>Total RMB million</b>
<i>For the six months ended</i>				
<i>28 February 2022 (unaudited)</i>				
Revenue	<u>1,947</u>	<u>330</u>	<u>74</u>	<u>2,351</u>
Segment results	<u><u>931</u></u>	<u><u>137</u></u>	<u><u>19</u></u>	1,087
Investment income				23
Other gains and losses				(20)
Fair value change on convertible bonds				318
Finance costs				(135)
Unallocated corporate income and expenses				<u>(44)</u>
Profit before taxation				<u><u>1,229</u></u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of investment income, other gains and losses, fair value change on convertible bonds, finance costs, corporate income and central administrative expenses. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

## Revenue from major services

The following is an analysis of the Group's revenue by types of services:

	<b>Six months ended</b>	
	<b>28 February 2023</b>	28 February 2022
	<i>RMB million</i> <b>(unaudited)</b>	<i>RMB million</i> (unaudited)
Education services recognised over time	2,753	2,326
Ancillary services recognised over time	<u>22</u>	<u>25</u>
	<u><b>2,775</b></u>	<u>2,351</u>

## Geographical information

The Group operates in the PRC and Australia.

Information about the Group's revenue from customers is presented based on the location of operations and the Group's non-current assets is presented based on the geographical location of the assets.

	<b>Revenue from customers</b>		<b>Non-current assets (Note)</b>	
	<b>Six months ended</b>		<b>At 28 February</b>	At 31 August
	<b>28 February 2023</b>	28 February 2022	<b>2023</b>	2022
	<i>RMB million</i> <b>(unaudited)</b>	<i>RMB million</i> (unaudited)	<i>RMB million</i> <b>(unaudited)</b>	<i>RMB million</i> (audited)
The PRC	2,668	2,277	26,998	26,021
Australia	107	74	848	865
Hong Kong	<u>–</u>	<u>–</u>	<u>2</u>	<u>2</u>
	<u><b>2,775</b></u>	<u>2,351</u>	<u><b>27,848</b></u>	<u>26,888</u>

*Note:* Non-current assets exclude financial instruments and deferred tax assets.



#### 4. INVESTMENT INCOME

	<b>Six months ended</b>	
	<b>28 February 2023</b>	28 February 2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
	<b>(unaudited)</b>	(unaudited)
Banks interest income	33	16
Loan receivables interest income	10	7
	<u>43</u>	<u>23</u>

#### 5. TAXATION

	<b>Six months ended</b>	
	<b>28 February 2023</b>	28 February 2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
	<b>(unaudited)</b>	(unaudited)
Income tax charge (credit):		
Current tax		
— Enterprise Income Tax	31	23
— Australian Corporate Income Tax	4	2
Deferred tax	(2)	(3)
	<u>33</u>	<u>22</u>

## 6. PROFIT FOR THE PERIOD

	Six months ended	
	28 February 2023 RMB million (unaudited)	28 February 2022 RMB million (unaudited)
Profit for the period has been arrived at after charging the following items:		
Staff costs, including directors' remuneration		
— salaries and other allowances	708	571
— retirement benefit scheme contributions	114	98
— share-based payments	17	18
	<u>839</u>	<u>687</u>
Total staff costs		
	<u>839</u>	<u>687</u>
Depreciation of property, plant and equipment	317	272
Depreciation of right-of-use assets	29	29
Amortisation of intangible assets (included in cost of revenue)	3	5
Short-term leases expense in respect of rented premises	11	10
	<u>11</u>	<u>10</u>

## 7. DIVIDENDS

During the current interim period, the Company recognised the following dividend as distribution:

	Six months ended	
	28 February 2023 RMB million (unaudited)	28 February 2022 RMB million (unaudited)
Final dividend for the year ended 31 August 2022 of RMB33.57 cents (the six months ended 28 February 2022: HK20.2 cents final dividend for the year ended 31 August 2021) per ordinary share	<u>806</u>	<u>395</u>

The 2022 final dividend was settled in cash, with an alternative to receive the dividend (or part thereof) in form of scrip shares. Subsequent to 28 February 2023, the 2022 final dividend has been settled by cash of HK\$931 million (equivalent to RMB825 million) and the issue of 342,088 ordinary shares of the Company.

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of RMB16.38 cents per ordinary share (the six months ended 28 February 2022: nil) will be paid to the owners of the Company whose names appear in the register of members on 16 June 2023.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>28 February 2023</b>	28 February 2022
	<b>RMB million (unaudited)</b>	<b>RMB million (unaudited)</b>
<b>Earnings:</b>		
Profit for the period attributable to owners of the Company for the purposes of calculating basic earnings per share	977	1,169
Effect of dilutive potential ordinary shares:		
Fair value change on convertible bonds	—*	(318)
	<u>977</u>	<u>851</u>
Profit for the period attributable to owners of the Company for the purpose of calculating diluted earnings per share	<u>977</u>	<u>851</u>
	<i>million</i>	<i>million</i>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,439	2,381
Effect of dilutive potential ordinary shares:		
— share options granted under pre-initial public offering share option scheme	—	13
— convertible bonds	—*	164
	<u>2,439</u>	<u>2,558</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>2,439</u>	<u>2,558</u>

\* Less than RMB1 million/1 million shares

The weighted average number of ordinary shares for purpose of calculating basic earnings per share for the six months ended 28 February 2023 and 2022 has included the deferred consideration shares of the Company in relation to the acquisition of Long Link Investment Limited and its subsidiaries during the six months ended 28 February 2023 and 2022 from the acquisition date.

The computation of diluted earnings per share for the six months ended 28 February 2023 did not assume the exercise of the Company's share options granted under the pre-initial public offering share option scheme and post initial public offering share option scheme (2022: share options granted under the post initial public offering share option scheme) as the adjusted exercise prices of those share options were higher than the average market price of the shares of the Company for the period.

## 9. TRADE RECEIVABLES AND RECEIVABLES FROM EDUCATION BUREAUS

The following is an analysis of trade receivables and receivables from education bureaus, net of allowance for credit losses, by age, presented based on debit note.

	At 28 February 2023 <i>RMB million</i> (unaudited)	At 31 August 2022 <i>RMB million</i> (audited)
0–90 days	15	10
91–120 days	12	15
Over 120 days	93	35
	<u>120</u>	<u>60</u>

## 10. TRADE PAYABLES

The credit period granted by suppliers on purchase of consumables and provision of services ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on invoice date at the end of reporting period.

	At 28 February 2023 <i>RMB million</i> (unaudited)	At 31 August 2022 <i>RMB million</i> (audited)
0–30 days	7	2
31–90 days	26	31
Over 90 days	25	23
	<u>58</u>	<u>56</u>

## 11. CAPITAL COMMITMENTS

	At 28 February 2023 <i>RMB million</i> (unaudited)	At 31 August 2022 <i>RMB million</i> (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment and right-of-use assets	<u>1,070</u>	<u>1,370</u>

As at 31 August 2022, the Group also committed for an undrawn loan commitment of RMB9 million.

## 12. EVENT AFTER REPORTING PERIOD

Bonds in an aggregate principal amount of RMB500 million were issued by the Company subsequent to 28 February 2023, which are due in 2026, bearing interest at the rate of 4.0% per annum and are guaranteed by Credit Guarantee and Investment Facility (the “Guaranteed Bonds”). The Guaranteed Bonds are listed on the Singapore Exchange Securities Trading Limited.

## DEFINITIONS

“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Blue Sky”	Blue Sky Education International Limited (藍天教育國際有限公司), a controlling shareholder of the Company
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China and for the purposes of this document only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, Macau and Taiwan
“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
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”, “we”, “us”, or “our”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“RMB” or “Renminbi”	Renminbi, the lawful currency of China

“Shareholder(s)”	holder(s) of our Share(s)
“Shares”	ordinary shares in our Company of par value HK\$0.00001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”	United States dollars, the lawful currency of the United States
“White Clouds”	White Clouds Education International Limited (白雲教育國際有限公司), a controlling shareholder of the Company
“%”	per cent

The English names of the PRC entities, PRC laws or regulations, PRC awards/accreditations, and the PRC governmental authorities referred to in this announcement are merely translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

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

Hong Kong, 27 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.*