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China General Education Group Limited

中国通才教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2175)

KEY FINDINGS OF INDEPENDENT INVESTIGATION AND INTERNAL CONTROL REVIEW

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

References are made to the announcements of the Company dated 29 November 2022 and 16 December 2022, in relation to the delay in publication of annual results for the year ended 31 August 2022 (the “**2022 Annual Results**”) and the 2022 annual report, the announcement of the Company dated 10 January 2023 in relation to the resumption guidance (the “**Initial Resumption Guidance**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the announcements of the Company dated 28 February 2023 and 25 May 2023 in relation to the quarterly update on the resumption progress, the announcement of the Company dated 7 July 2023 in relation to the update on the independent investigation, the announcement of the Company dated 25 August 2023 in relation to the quarterly update on the resumption progress, the announcement of the Company dated 7 September 2023 in relation to the change of auditor, the further announcement of the Company dated 25 September 2023 in relation to the change of auditor, the announcement of the Company dated 7 November 2023 in relation to the Stock Exchange’s additional resumption guidance (together with the Initial Resumption Guidance, the “**Resumption Guidance**”) and the announcement of the Company dated 27 November 2023 in relation to the quarterly update on the resumption progress and delay in publication of the annual results for the year ended 31 August 2023 and the 2023 annual report.

BACKGROUND

As disclosed in the announcement of the Company dated 16 December 2022, the Company had received allegations with respect to the Company’s initial public offering (the “**IPO**”) subscription and the use of proceeds from the Company’s IPO (the “**Allegations**”). According to the Allegations, the Company entered into an investment agreement (the “**Investment Agreement**”) with a third party (the “**Third Party**”) for the subscription of the Company’s shares by the Third Party during the Company’s IPO.

Considering of the Allegations, the board of directors (the “**Directors**”) of the Company (the “**Board**”) resolved to establish an independent investigation committee (the “**Independent Investigation Committee**”), comprising all three independent non-executive directors, namely Mr. Zan Zhihong, Mr. Hu Yuting and Mr. Wong Chi Wah, to take lead on an independent investigation (the “**Investigation**”) into the Allegations. Mr. Hu Yuting was appointed as the Chairman of the Independent Investigation Committee.

On 27 February 2023, the Independent Investigation Committee engaged an international accounting firm as the investigation specialists (the “**Investigation Specialists**”) to conduct the Investigation and the period covered by the Investigation is from 1 April 2021 to 30 November 2022 (the “**Investigation Period**”). On 14 September 2023, the Investigation Specialists have provided the report on the Investigation (the “**Investigation Report**”) to the Independent Investigation Committee. The Company would like to update its shareholders and set out the key findings of the Investigation Report in this announcement.

KEY FINDINGS OF THE INDEPENDENT INVESTIGATION

Key Investigation Procedures

The key investigation procedures conducted by the Investigation Specialists mainly consist of the following:

- (i) **documents review** – (a) obtained and reviewed documents including but not limited to the Company’s corporate structure, memorandum of association and articles of association, internal control policies and fee rate document; (b) obtained and reviewed the Investment Agreement, agreements for private funds investments, loan agreement, litigation-related documents, places list and relevant board resolutions; (c) obtained and reviewed the approval for chop use application and the record for chop use during the Investigation Period;
- (ii) **interview** – (a) conducted interviews with the managers of the Company and the relevant personnel to learn the details of the Company’s IPO and the matters as mentioned in the Allegations; and (b) conducted interviews with third parties to learn the background and details for the entry into the Investment Agreement;
- (iii) **sample check** – (a) checked the financial ledger and bank statements of the Group during the Investigation Period and conducted analysis; and (b) conducted sample checks on those payment records with high risks and reviewed the relevant supporting documents;
- (iv) **onsite visit** – conducted onsite visit of Shanxi Technology and Business College to learn its business model and operation;

- (v) **data analysis** – (a) conducted data analysis on the financial data and capital flow records during the Investigation Period; and (b) conducted data analysis on external information, including but not limited to announcements published by the Company and data disclosed in the Company’s prospectus;
- (vi) **background check** – (a) conducted background search and public information search on the relevant companies and individuals as mentioned in the Company’s IPO places list, Investment Agreement, Loan Agreement (as defined below) and financial management agreements; (b) conducted background search and public information search on the payees of unusual payments identified during the sample check; and (c) checked name of the relevant individuals and third parties learned by the Investigation Specialist against the Company’s IPO places list for consistency; and
- (vii) **electronic forensics** – extracted data from the work computer of two executive Directors of the Company and the securities manager responsible for the Company’s IPO and conducted forensic review of the documents identified using the keyword search.

Entry of the Investment Agreement

The Investigation Specialists find that on 7 July 2021, Mr. Niu Sanping signed the Investment Agreement on behalf of the Company with the Third Party and delivered the signed originals to the Third Party and on the same day, Shanxi Technology and Business College, one of the Company’s subsidiaries, entered into a loan agreement (the “**Loan Agreement**”) with a payee (the “**Payee**”) as designated by the Third Party and transferred an agreed amount to the Payee. After learning that entering into the Investment Agreement during the Company’s IPO is a violation of laws and regulations on 13 July 2021, Mr. Niu Sanping instructed a senior manager of the Company’s investment department to liaise with the representative of the Third Party to rescind the Investment Agreement which was agreed by the Third Party and the Company received the previously delivered signed Investment Agreement from the Third Party on 12 August 2021. Based on the interview with Mr. Niu Sanping, except for him, none of the other Directors of the Company was informed and aware of the entry into and rescission of the Investment Agreement.

Investigation on the Performance of the Investment Agreement

As claimed by the Company, the Investment Agreement has been rescinded and to confirm this, the Investigation Specialists analyzed the terms of the Investment Agreement and conducted investigation on whether the rights and obligations of each party in the Investment Agreement have been performed.

The major terms of the Investment Agreement include, among others,

- (i) the Company agreed to subscribe for investment products designated by the Third Party in a certain amount but would not be entitled to any investment return which should be owned by the Third Party;

- (ii) the Third Party agreed to subscribe for the Company’s shares through the IPO and the Third Party must not sell the shares for the first 180 days after listing (the “**Lock-Up Period**”). During the Lock-Up Period, the Third Party shall disclose the details of the shares held by it to the Company. After the expiry of the Lock-Up Period, the Third Party may dispose of the shares within the next 180 days (the “**Transfer Period**”) and the Company was entitled to the net disposal proceeds (the “**Third Party’s Subscription**”);
- (iii) the Company agreed to pay the Third Party an amount equivalent to 6% of the amount of its subscription of the Company’s shares in light of its capital costs and exchange losses (the “**Expenses**”) within four or five business days after the Company’s listing on the Stock Exchange and to provide a deposit in the form of a loan to the Payee as designated by the Third Party which was repayable after the listing date of the Company (the “**Loan**”); and
- (iv) the Company agreed to pay a guaranteed annualized return (the “**Interests**”) to the Third Party during the Lock-Up Period and the Transfer Period and compensate the Third Party for any shortfall between the value of the Third Party’s Subscription and the value of the investment products subscribed by the Company. The Company is entitled to any proceeds (the “**Proceeds**”) when the selling prices of the shares exceed the subscription price of the Third Party. If the Third Party holds any shares of the Company in the 30 days before the expiry of the Transfer Period (the “**Investment Settlement Period**”), the Company shall designate a party to repurchase the shares held by the Third Party and pay any difference (the “**Guaranteed Difference**”) between the Third Party’s subscription price and the repurchase price and the expenses incurred by the Third Party for such disposal.

The Investment

In July 2021, the representative of the Third Party introduced a fund (the “**Fund**”) to the Company. Although the Investment Agreement was rescinded, in order to increase the yield rate of its idle cash, the Company subscribed for certain Fund units after due diligence (the “**Investment**”) on 28 July 2021.

With respect to the accounting treatment of the investment return, the Investigation Specialists find that the Company included the investment income in the item of “trading financial assets – profit and losses from changes in fair value” and the management fees in the item of “accounts payable” based on the net value of the Fund units held by the Company as sent by the Fund every month. In addition, the Investigation Specialists did not find the Company subsequently transferred the investment income to payable or other accounting items during the Investigation Period.

The Company requested the redemption of the Investment on 28 February 2022. Although there are some disputes on the redemption amount and the relevant fees, the Investigation Specialists find that the redemption proceeds were repaid to the Company by the Fund by installment. As of the date of the Investigation Report, the Company had received a certain portion of the proceeds from the redemption.

The Investigation Specialists did not find (i) any direct evidence showing that there is any relationship between (a) the Fund and the then investment manager of the Fund and (b) the Third Party and the Payee; (ii) the Fund, its then investment manager, the Payee and their respective directors, supervisors and senior manager subscribed for the Company's shares under the international offering of the Company's global offering and (iii) the Company paid any amount to the investors as listed on the places list obtained by the Company.

Third Party's Subscription

The Investigations Specialists checked the places list obtained by the Company. The Investigation Specialists conducted due diligence on 10 investors that they could identify the name and cross-checked the 10 investor names with the payee/payers in capital flow records of the Company during the Investigation Period. None of the 10 investor names (including its directors, supervisors and senior management of the corporate investors) matches the name of the Third Party, the Fund, its then investment manager and the Payee, as well as the payees/payers in cash flow records of the Group during the Investigation Period. Due to insufficient information, the Investigation Specialists could not identify the name of the other 16 investors in the places list who were allotted shares of the Company.

In addition, the Investigation Specialists did not find direct evidence indicating that the Third Party disclosed the details of any shares to the Company during the Lock-Up Period and disposed any shares of the Company pursuant to the Investment Agreement.

Expenses and Loan

The Investigation Specialists checked the Group's accounts and capital flow records and did not find direct evidence showing that the Company paid the Expenses to the Third Party before 21 July 2021 pursuant to the Investment Agreement.

The Investigation Specialists find that Shanxi Technology and Business College entered into the Loan Agreement with the Payee on 7 July 2021, pursuant to which Shanxi Technology and Business College transferred an agreed amount to the Payee. The Loan was made before the rescission of the Investment Agreement.

The Payee repaid most of the loan to Shanxi Technology and Business College in August and September 2021. As the Payee had not repaid the remaining amount by July 2022, Shanxi Technology and Business College filed a civil litigation against the Payee and obtained court judgments against the Payee for the outstanding amount and the corresponding interest in July 2023. As of the date of the Investigation Report, the remaining amount is still outstanding.

Interests, Proceeds and Guaranteed Difference

The Investigation Specialists checked the Group’s accounts and capital flow records and did not find direct evidence showing (i) the Company paid the Interests to the Third Party or its related parties during the Investigation Period or paid the Guaranteed Difference to the Third Party or its related parties during the Investment Settlement Period and (ii) the Third Party paid any amount as the Proceeds to the Company.

In addition, the Investigation Specialists conducted forensic analysis of the Group’s non-operating income and expenditures and funds transfers during the Investigation Period and did not find any direct evidence indicating that such non-operating incomes or expenditures or funds transfers is related to the performance of the Investment Agreement or the Company’s IPO.

INTERNAL CONTROL REVIEW

In addition to the Investigation, the Resumption Guidance issued by the Stock Exchange requires the Company to conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules and in considering of the recommendations of the Independent Investigation Committee, the Company engaged Prism Advisory Limited (上會永晉諮詢有限公司), as the internal control consultant (the “**Internal Control Consultant**”) to review the Company’s internal controls and procedures.

The Internal Control Consultant issued the final report on the internal control review on 16 January 2024.

Key findings, recommendations and status of the internal control review are summarized below:

No.	Key findings	Recommendations	Status
Corporate level control			
1.	The Group has formulated “Reporting on Anti-Corruption and Bribery Policy” (舉報及反貪污賄賂政策). However, the policy does not include a reporting channel for employees and other stakeholders (e.g. customers and suppliers) of the Company.	The Group is recommended to provide confidential reporting channels for their employees and other relevant stakeholders to report possible misconduct. The audit committee should also review the reporting channels and ensure that they are open to employees and other relevant stakeholders and reported matters are reviewed with appropriate follow-up actions.	Completed.

No.	Key findings	Recommendations	Status
2.	The Group has formulated the “Administrative Measures on Declaration of Conflicts of Interest” (利益衝突申報管理辦法) to handle potential conflicts of interest and prevent the occurrence of fraud. However, the Group failed to maintain proper record of signed copies of statement of conflicts of interest submitted by employees.	The Group is advised to maintain proper record of signed copies of declaration on conflicts of interest submitted by employees, to ensure employees’ understanding and compliance with the code of conduct and prevent the acquisition of improper benefits and fraud.	Completed.
3.	The Group has formulated a series of internal policies but failed to regularly review and maintain written approval records (such as stamps and signatures, and the date of approval).	The Group is advised to maintain proper written review and approval record on internal policies in timely manner and to ensure its traceability. In addition, internal audit mechanism should be established to conduct regular review on internal policies to ensure its conformity with the latest laws and regulations.	Completed.
Financial reporting and disclosure control			
4.	The Company has standardized financial reporting disclosure policy. However, such policy does not clearly state financial reporting preparation procedures (including procedures on preparation of monthly and annual financial statement and consolidated financial statement), responsibilities of financial reporting function, internal supporting documents and its approval procedures.	The Company is advised to improve its financial reporting disclosure policy, so as to ensure the financial statement and relevant disclosures are prepared in accordance with appropriate accounting standards, and to clarify the financial reporting preparation procedure and the responsibilities of financial reporting function.	Completed.

No.	Key findings	Recommendations	Status
5.	The Company did not maintain proper review and approval record (i.e. signed version) on preparation of financial statement (including monthly and annual financial reports, consolidated financial statements and underlying working papers), which did not provide sufficient control to confirm whether the financial statement information has been properly approved.	The Company is advised to maintain proper review and approval record during the course of preparing financial statement and underlying working papers to ensure the accuracy and completeness of financial statement.	Completed.
Revenue, other income and receivables management			
6.	Issues were identified in relation to revenue recognition, including (i) certain income from scientific research and development services was recognised in incorrect financial period; (ii) certain rental income has been recognised in full, instead of recognized income proportionately according to terms of lease agreement and lack of sufficient supporting documents; (iii) certain heating service income has been recognised without sufficient supporting documents; (iv) certain tuition fee and boarding fees has been recognised without students identities and approved proportionated income schedule; and (v) the date of approval of certain daily income reports by the deputy director of the finance department is later than the date of accounting record.	The Company is advised that (i) income from scientific research and development services, training programs and examination are one off in nature which should be recognised in accordance with the terms and conditions under relevant contracts; (ii) rental income should be recognised over the terms of the lease agreement; (iii) heating service income should be determined based on the operating circumstances, and proper record and sufficient supporting document should be maintained to recognise revenue proportionately over the periods; (iv) proportionated income schedule and relevant supporting documents should be well maintained; and (v) daily income report should be recorded upon approval of deputy director of the finance department.	Completed.
7.	The Company has formulated procedures to standardize the approval process on tuition fee collection and refund. However, incomplete approval records from relevant departments and the principals were identified on certain tuition fee refund receipts.	The Company is advised to maintain proper approval evidence on receipts from each department and the principal as stipulated in the procedures during the approval of the tuition fee refund to ensure compliance with tuition fee collection and refund process.	Completed.

No.	Key findings	Recommendations	Status
Procurement-to-payment management			
8.	The Company did not have a well-established supplier information list and failed to perform evaluation on suppliers during the procurement process pursuant to the Management Measures on Suppliers Information Base, Admission and Exit of Shanxi Technology and Business College (山西工商學院供應商信息庫和准入退出管理辦法).	The Company should establish an approved supplier list with sufficient background information, and select suppliers from such list during the procurement process, and perform quotation comparisons from the selected suppliers before entering into purchase contract.	Completed.
9.	Certain purchase contracts have not been properly approved (without signature/stamp), and certain payment approval forms without complete approval record.	The Company should ensure the purchase contracts are properly stamped and payment approval forms are properly signed and approved.	Completed.
10.	The Company regularly conducts reconciliation of balance with suppliers, but the Company has not established written procedure on the reconciliation of account payable balance with suppliers and no proper written record on reconciliation of account payable balance has been maintained.	The Company should establish written procedures on reconciliation of account payable balance, and maintain written reconciliation records on account payable balance and written approval record after reconciliation from suppliers.	Completed.
Fixed assets management			
11.	The Company has not established written procedure to assess provision of impairment on fixed assets, and has not analyzed the risk of impairment when performing stock-taking. As a result, the Company failed to assess the condition of fixed assets to confirm any provision of impairment, and hence valuation of fixed assets might be affected which in turn affects the preparation of financial statements.	The Company is advised to establish written procedure and perform analysis of impairment during the stock-taking to identify any impairment indicator.	Completed.

No.	Key findings	Recommendations	Status
Expenses management			
12.	Omission of signature from relevant approval personnel was identified on certain expense approval forms. The name of applicants on certain expense approval forms was the same as the name of approval personnel, which indicates a lack of approval signatures from other relevant personnel. Hence, the Company was not able to confirm if the relevant expenses have been properly approved.	The Company should ensure that expense approval procedure should be in place and expense approval form should be signed by appropriate approval personnel. The applicant and the approval personnel should not be the same person, to ensure that the expense has been properly approved and hence confirm the appropriateness and rationality of the use of funds.	Completed.
13.	Omission of reason was identified in certain expense application forms, such that the nature of expenses and appropriateness of use of funds were uncertain. Also, certain expense application forms were signed and approved but in incorrect position.	It is recommended that the reasons of such expense application should be clearly stated and the approval personnel should sign in the appropriate position on the expense application form, to ensure the reasonableness and compliance with the expense approval procedure.	Completed.
Human resources and payroll management			
14.	The Group failed to establish comprehensive description on job responsibilities for different job position for its subsidiaries except for Shanxi Technology and Business College, which may lead to overlap, omissions, and override of authority, and impose negative impact on business operation.	The Group is advised to establish comprehensive descriptions on job responsibilities for different job position for its subsidiaries other than Shanxi Technology and Business College, which clearly state its responsibilities, authorities, and work procedures, to avoid overlap, omissions, and override of authority.	Completed
15.	The Company did not maintain proper filing record of the acceptance form for staff handbooks, directors' handbooks, the Code of Ethics and other documents, which may impose uncertainties on whether employees have received the relevant code provisions.	The Company is advised to maintain proper filing record on acceptance (including date of receipts) for staff handbooks, directors' handbooks, and the Codes of Ethics to acknowledge that employees have received.	Completed.

No.	Key findings	Recommendations	Status
16.	Although the Company regularly reviewed, and performed calculation check to approve social insurance contribution, the Company has not formulated internal written approval procedures for social insurance and housing provident fund contribution.	The Company should formulate and implement written procedures on social insurance and housing provident fund, stipulating work process, responsibilities, and operational requirements to standardize the procedures of filing the social insurance and housing provident fund.	Completed.
Cash and treasury management			
17.	Certain advances made to third parties without meeting minutes record and without proper approval record. In addition, the Group has not formulated procedures for fundraising activities, resulting in fundraising without proper approval, and carrying out unnecessary fundraising.	The Company should formulate approval process for advance made to third parties and maintain proper filing record of meeting minutes. In addition, the Company should formulate written fundraising procedures to ensure proper approval is obtained when raising funds, which will enhance the applicability and efficiency of the fundraising.	Completed.
Tax filing and payment management			
18.	The Company has formulated policy on the tax filing and tax payment procedures. However, such procedures did not clearly specify the internal time requirements for tax filing, internal documents requirement, and list of approval processes, which may have negative impact on tax filing and tax payment progress.	The Company should improve the written operational procedures, and specify the timeline, internal documents requirement and list of approval processes for tax filing and tax payment.	Completed.
19.	The Company failed to maintain proper approval record for tax payment. In addition, omission of approval record by head of the finance department was identified on provision of tax calculation supporting document.	The Company should properly keep all written approval documents for tax payments and ensure the head of the finance department approves tax provisions with proper approval record.	Completed.

No.	Key findings	Recommendations	Status
Related party transaction			
20.	Apart from the related party list and related party transaction list established during the annual audit, the Company did not (i) maintain an on-going list of related parties and related party transactions and keep records for checking against the list of related parties when conducting related party transactions; (ii) have agreements, approval documents and other forms for some related party transactions, and the invoice retained as the only supporting document for a related party transaction could not conclude if such transaction has been approved; and (iii) periodically reconcile related party transactions and balance.	The Company should (i) periodically prepare for a list of related parties and related party transactions and keep records for checking against such list; (ii) keep records of all supporting documents for related party transactions; and (iii) periodically reconcile related party transactions and balance.	Completed.
Information technology systems risk management			
21.	The Company only implements IT system access control, but did not implement the role and position mapping based on IT System Access Control Policy. In addition, the Company did not review the system access right regularly to ensure proper access right, which may result in that segregation of duties could not be fulfilled during operation and unauthorised access could not be discovered, which may lead to lost on control on enquiry and retrieval of system data.	The Company is advised to formulate the role and position mapping based on IT System Access Control Policy, detailed authority of each position in information management system, and regularly review the rationality of authority to access the information system.	Completed.

Having considered the remedial actions taken by the Group and the follow-up review by the Internal Control Consultant on the enhanced internal control processes, the Internal Control Consultant is of the view that the above key internal control weaknesses have been remediated.

VIEWS OF THE INDEPENDENT INVESTIGATION COMMITTEE AND THE BOARD

The Independent Investigation Committee has reviewed the Investigation Report and accepted the key findings of the Investigation. The Independent Investigation Committee is of the view that having taken into account the practicable limitations, (i) the content and the findings of the Investigation Report are reasonable and acceptable, (ii) the Investment Agreement has been rescinded on 13 July 2021, (iii) no intentional fraud or dishonesty on the part of any Director or senior management of the Company was identified which may pose a risk to the shareholders and potential investors or damage market confidence in connection with the Investment Agreement; and (iv) the findings of the Investigation reveal problems or deficiencies in the Company's internal control which may result in non-compliance in certain matters and the Company should pay attention on the inspection of its internal control processes and then improve the internal controls based on such inspection results. The Independent Investigation Committee recommended the Board to act on the following:

- (i) the Company should continuously implement the remedial actions proposed by the Internal Control Consultant and ensure that it had discussed with the Internal Control Consultant regarding the key findings of the Investigation and the internal control deficiencies revealed by the Investigation and remind the Internal Control Consultant to pay special attention on these matters;
- (ii) according to the internal control report, the Internal Control Consultant did not identify major internal control deficiencies. If the Company discovers any major issues in the future, the Company should take actions as soon as possible to formulate and improve internal control processes and consult external independent professional advisors if necessary;
- (iii) the Company should enhance periodic review of the internal controls and the responsible persons should obtain the Board's authorization and have sufficient power and resources for the review. The responsible persons should report to the audit committee under the Board periodically so that the audit committee can independently review, monitor and supervise the sufficiency and effectiveness of the Group's internal controls;
- (iv) the Company should carefully review its announcements and circulars after consulting its professional advisers to determine whether the Company needs to further clarify in accordance with the Listing Rules and other applicable laws and regulations;
- (v) the Company should designate a department or appoint a competent person responsible for the Group's major projects and transactions for compliance with the Listing Rules;
- (vi) the Company should assess whether the Directors and senior managers involved in matters of the Allegations are negligent and the degree of negligence (i.e. the nature, scope, severity and impact of the negligence) and take necessary actions against them (such as providing trainings);

- (vii) the Company should conduct periodic trainings to its employees (including directors, senior management and staff in the compliance department) to enhance their knowledge and understanding of the Listing Rules etc. and raise their awareness of compliance with the Company's internal controls;
- (viii) the Company should formulate measures to create a corporate culture focusing on compliance and remind employees that they should pay attention to procedural compliance during their work;
- (ix) when making decisions on major transactions or matters, the independent non-executive Directors should be informed and vote;
- (x) in respect of the outstanding amount from the Payee and the outstanding amount of the redemption of the Investment, the Company should actively take collections measures and if the relevant funds could not be recovered, the Company should report to the Independent Investigation Committee and consult legal counsels and assess whether to hold the relevant personnel accountable so as to avoid losses to the Company; and
- (xi) the Company should enhance the communications with the new auditor of the Company and discuss with them regarding the issues raised by the previous auditor.

The Board has reviewed the Investigation Report and concurs with the Independent Investigation Committee that no intentional fraud or dishonesty on the part of any current or former Director or senior management of the Company was identified. The Board has fully adopted the recommendations of the Independent Investigation Committee and is of the view that:

- (i) none of the Company's senior management or any person with significant influence on the Company's management and operations has integrity issue which would draw the attention of the Independent Investigation Committee, regulatory authorities or shareholders of the Company;
- (ii) the Company is confident that the rectified and enhanced internal control measures of the Company are sufficient and effective in fulfilling the Company's obligations and protecting the interests of the Company and its shareholders and are in compliance with the Listing Rules; and
- (iii) the Company is fully aware of the importance of maintaining the trust and confidence of shareholders, regulatory authorities and other stakeholders and the Company will ensure high standards in transparency and compliance in all respects.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 29 November 2022 and is currently expected to remain suspended until the Company fulfills the Resumption Guidance.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

By order of the Board
China General Education Group Limited
NIU Sanping
Chairman

Hong Kong, 5 February 2024

As at the date of this announcement, the executive Directors are Mr. Niu Sanping, Mr. Niu Jian, Mr. Niu Xiaojun and Ms. Zhang Zhonghua; and the independent non-executive Directors are Mr. Zan Zhihong, Mr. Hu Yuting and Mr. Wong Chi Wah.