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DASHAN EDUCATION HOLDINGS LIMITED

大山教育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9986)

KEY FINDINGS OF THE INDEPENDENT AGREED-UPON PROCEDURES REPORT AND INTERNAL CONTROL REVIEW

This announcement is made by Dashan Education Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

Reference is made to the announcements of the Company dated (i) 29 March 2023 in relation to, among other things, the delay in publication of the 2022 Audited Annual Results; (ii) 19 April 2023 in relation to the establishment of the SIC; (iii) 9 May 2023 in relation to the Resumption Guidance; (iv) 23 May 2023 in relation to the resignation of the former auditor of the Company; (v) 25 May 2023 in relation to the appointment of Zhonghui Anda CPA Limited (“**Zhonghui Anda**”) as the new auditor of the Company; (vi) 29 May 2023 in relation to the appointment of AUP Professionals; (vii) 29 June 2023 in relation to the quarterly update on suspension of trading; (viii) 31 August 2023 in relation to the delay in publication of the 2023 Interim Results and delay in despatch of the 2023 Interim Report; (ix) 29 September 2023 and 29 December 2023 in relation to the quarterly update on suspension of trading; and (x) 28 March 2024 in relation to the delay in publication of the 2023 Audited Annual Results and delay in despatch of the 2023 Annual Report and quarterly update on suspension of trading (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BACKGROUND

Trading of the Company’s shares has been suspended since 30 March 2023 due to the delay in publication of its 2022 Audited Annual Results. The delay was due to the additional time required for the Company to address certain issues identified by its former auditor, Deloitte Touche Tohmatsu (the “**Former Auditor**”) under its letter (the “**Auditor Letter**”) dated 20 March 2023.

The primary concerns that the Former Auditor raised in the Auditor Letter were in relation to the (i) commercial substance and business rationale of the payments in connection with the software development services provided by a vendor (“**Audit Matter 1**”); (ii) lack of supporting evidence to substantiate the validity of the provision of training and advisory services by the Group to various customers (“**Audit Matter 2**”); (iii) commercial substance and business rationale for a loan to an entity (“**Audit Matter 3**”); and (iv) commercial substance of the acquisition of 45.74% equity interest in KSI Education Limited (“**Audit Matter 4**”) (collectively, the “**Audit Matters**”).

Since then, the Company has taken active steps to resolve the Audit Matters as soon as practicable. The SIC was established on 19 April 2023, comprising solely independent non-executive Directors to undertake an independent investigation into the Audit Matters. In May 2023, the SIC appointed Mazars Risk Advisory Services Limited (“**Mazars**”), an independent risk consulting and accounting firm, to conduct an agreed-upon procedures investigation in relation to the Audit Matters (the “**AUP Investigation**”).

Mazars has issued the agreed-upon procedures review report (the “**AUP Report**”) on 29 May 2024. The Company would like to update its Shareholders and set out the key findings of the AUP Report in this announcement.

THE AUP REPORT

Review Methodology

For the purpose of the AUP Investigation, Mazars conducted the following procedures including but not limited to:

- (i) identifying key management and/or responsible personnel of the Group or of other entities related to the Audit Matters, and conducting interviews with the relevant management and/or personnel to understand the background, the cause, and the outcomes of the Audit Matters;
- (ii) obtaining the documents mentioned in the Auditor Letter and/or mentioned during the interviews by the interviewees to verify if there is any inconsistency between the documents, the Auditor Letter, and/or the responses from the interviewees;
- (iii) conducting company search (if necessary) of the companies relating to the Audit Matters to verify the company registration information; and
- (iv) performing site visit (if necessary) of the companies relating to the Audit Matters to verify if there is any inconsistency between the documents, the Auditor Letter, and/or the responses from the interviewees.

A summary of the key findings of the AUP Investigation are set forth below.

Audit Matter 1: Commercial substance and business rationale of the payments in connection with the software development services provided by a vendor (the “Vendor”)

Against the background of a series of reforms to the PRC after-school education industry, including the Opinion on Further Alleviating the Homework and After-school Training Workload of Students in Compulsory Education Stage (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) jointly issued by the General Office of the Communist Party of China Central Committee (中共中央辦公廳) and the General Office of the State Council (國務院辦公廳) on 24 July 2021 (the “**Double Reduction Policy**”), the Group’s manager of the online education department prepared a feasibility report of education software development which stated that due to government policies regarding the changes in the education industry and market trends, the Company believed that smart education is one of the important market demands and a key growth opportunity for the future transformation of the education industry.

The Group then solicited fee quotations from two potential vendors, including the Vendor, to assist the Group in developing its own software to facilitate the online education business.

After considering the fee quotations and other related documents from the potential vendors and performing vendor selection process, the Group’s 5-member evaluation team chose the Vendor as its business partner for developing the education software (the “**Education Software**”). A cooperation agreement, software development agreement and supplementary agreement (collectively, the “**Cooperation Agreements**”) in relation to the Education Software were entered into between Zhengzhou Jinshui Dashan Technology Training Company Limited* (鄭州市金水區大山科技培訓有限公司) (“**Dashan Training**”), a wholly-owned subsidiary of the Company, and the Vendor on 29 April 2022. Another supplementary agreement was subsequently entered into between the Vendor and Dashan Training on 27 September 2022 for the additional functions on the Education Software requested by Dashan Training.

According to the AUP Investigation, the Vendor was originally a subsidiary of the Company, established on 9 February 2015. Individual A acquired 90% of the shares of the Vendor in December 2015. At present, the Vendor is owned by Individual A and Individual B as to 90% and 10%, respectively. Mazars was advised by the Vendor on its scale of staff and its previous experience in educational software technology development projects, including a project which was comparable in nature and scale to the contracted software development service between the Vendor and Dashan Training.

During the course of the development project, the Vendor provided Dashan Training with software development status report on a monthly basis. These reports were prepared by the Vendor’s technical director and were reviewed and authenticated by both parties.

According to the interview conducted by Mazars with the technical director of the Vendor, as at June 2023, the completion status of the Education Software development was approximately 68% and was targeted to be completed by 31 December 2023, which aligned with the timeline as set out in the supplemental agreement.

Subsequently, in view of the then education situation which was still predominantly traditional offline education and the development of online intelligent education is a long and arduous task, the Group instructed the Group's manager of the online education department to conduct a research and evaluation on the development of the Education Software. He then submitted a termination proposal dated 21 August 2023 to the Board, recommending the termination of the Education Software development project.

A board meeting was held on 24 August 2023 pursuant to which the Board approved the termination of the Education Software development project.

The Education Software development project was subsequently terminated. On 27 September 2023, a contract was entered into between Dashan Training and the Vendor, in relation to the refund of funds in the amount of RMB46,074,100 (being the total funds paid by Dashan Training less the estimated market value of the Education Software as assessed by a valuer), by the Vendor to Dashan Training in respect of the Education Software.

The refund was received by Dashan Training in full in 2023.

According to the AUP Investigation, Individual A, the 90% shareholder of the Vendor, was an ex-employee of the Group, who resigned from the position of administrative director due to personal reasons on 6 April 2022, which was prior to the dates of the Cooperation Agreements.

Apart from the foregoing, the AUP Report did not reveal any other relationship between the Vendor and the Group. The Company's management also confirmed that none of the shareholders of the Vendor (i.e. Individual A and Individual B) is a connected person of the Company within the meaning of the Listing Rules.

Audit Matter 2: Lack of supporting evidence to substantiate the validity of the provision of training and advisory services amounted to RMB13,000,000 by the Group to various customers

In view of the Double Reduction Policy, the Group closed down all subject tutoring centres and its academic education business was terminated completely by March 2022. To compensate the lost business, the Group decided to develop a new service line involving the provision of teacher training and advisory services to full-time schools (i.e. the B2B business). By August 2022, the Group has developed relevant courses for teacher training. Before the start of the 2022 fall semester, the Group actively expanded its B2B business through various channels and business resources.

According to the interviews conducted by Mazars with an individual, who is the chief financial officer of a company principally engaged in, among others, the education and financial industries, and a consultant of the Group, teacher training programs are usually conducted after the National Day holiday in October. Due to the impact of the COVID-19 pandemic, there were delays of around 1 to 2 months in various activities.

The Group eventually finalised the specific content and arrangements for the training with its customers in October 2022 and began providing online training services gradually to its customers since November 2022.

During the year ended 31 December 2022, the Group provided training and advisory services to 13 customers, most of the new customers were introduced by the Group's business partner and senior management.

According to the AUP Investigation, Mazars was able to obtain:

- (a) in respect of provision of teacher training services — attendance records of the training courses and customer confirmations on progress of service issued by the respective customers confirming the amount of services provided by the Group during the relevant period and the information contained in such confirmations correspond to the contractual amount as stated in the relevant contracts; and
- (b) in respect of provision of advisory services — confirmations of progress of service issued by the Group's customers acknowledging the services provided by the Group to them during the relevant period.

Given the B2B business was launched in response to the impact brought by the Double Reduction Policy and the Group was only able to finalise the specific content and arrangements for the training with its customers in October 2022, it is not unusual that all customers in this business segment are new to the Group with revenue commencing to be recognised in the last two months of 2022.

In respect of the provision of advisory services, since the Group provided advisory services to most of its customers on a regular basis, the Group recognised such revenue after the provision of regular advisory services in accordance with applicable accounting standards.

Audit Matter 3: Commercial substance and business rationale for the loan to an entity (the “Borrower”)

According to the AUP Investigation, the management of Dashan Training recognised the presence of idle cash and agreed to utilise such funds to generate returns for Dashan Training.

Through a mutual acquaintance, the shareholder of the Borrower approached Mr. Ma Wenhao (the assistant to the chairman of the Company and a former executive Director who resigned with effect from 25 April 2022) in relation to a possible loan request.

As such, the management of Dashan Training formulated investment plans, including stock investments and loan to the Borrower. After considering the returns and risks associated with each of the investment plans, the management eventually decided to utilise part of its idle cash to grant a loan (the “**Loan**”) in the amount of RMB9.0 million to the Borrower for the period between 29 December 2022 and 29 June 2023 at an interest rate of 1.5% per half annum (i.e. 3% per annum) which is to be secured by a guarantee deposit of HK\$10.0 million (the “**Guarantee Deposit**”) provided by a guarantor (the “**Guarantor**”).

According to the AUP Investigation, the loan prime rate for one-year term (the “**LPR**”) published by the National Interbank Loan Centre authorised by the People’s Bank of China on 20 December 2022 was 3.65%.

While the Loan’s interest rate was lower than the LPR, the management considered that the interest rate aligned with the market interest rate level because Dashan Training could generate interest income via provision of the Loan using its idle cash, and on the other hand, the financial risk associated with the Loan is low as it was secured by the Guarantee Deposit and at the same time the Group is able to earn interest on the Guarantee Deposit and the Loan.

On 5 January 2023, the Borrower decided to repay the Loan in full to Dashan Training due to business decision. Subsequently, the Group received the loan principal and accrued interest in full between 6 and 9 January 2023 and the Guarantee Deposit was returned by the Group to the Guarantor on 5 January 2023.

Mazars obtained a PRC legal opinion dated 9 March 2023 which stated that there is no information showing that the loan agreement is considered invalid in accordance with the Civil Code of the People’s Republic of China (《中華人民共和國民法典》).

Mazars conducted independent company searches on the Borrower and obtained the certificate of incumbency of the Guarantor to verify their respective shareholders. Mazars obtained and reviewed the staff list of the Group and noted that except for an individual who was employed by Dashan Training between April and August 2022, Mazars did not identify any employee of the Group bearing the same name as that of the shareholder of Borrower or the Guarantor. Mazars further noted that while the aforementioned ex-employee of the Group shared the same name with that of one of the Borrower's shareholders, their identification numbers are different.

Audit Matter 4: Commercial substance of the acquisition of 45.74% equity interest in KSI Education Limited (“KSI”)

KSI is a company incorporated in the United Kingdom (“UK”) in 2017. It has a long-term strategy to acquire private schools in the UK and implement innovative education concepts. Currently, KSI operates two co-educational private schools for children and collaborates with top UK universities to establish a center for wellbeing research and offering innovative educational resources.

In line with the Group's strategy to offer overseas study consulting services and having considered factors such as the geographical location, education quality, reputation, scale and growth potential of KSI, the Group is of the view that the acquisition of KSI (the “**Acquisition**”) presents an excellent opportunity for the Group to expand its school network into the UK market and support the Group's education development plans outside the PRC.

The Group then conducted a due diligence over KSI and due diligence reports and an investment proposal were tabled to the Board for review and approval.

Subsequently, the Board approved the Acquisition and on 15 September 2022, a sale and purchase agreement (the “**SPA**”) was entered into between Bonus First Holdings Limited (“**Bonus First**”), KSI's shareholder holding 45.74% interests in KSI, and Dashan International Investments Holdings Limited (“**Dashan International**”), a wholly-owned subsidiary of the Company. Pursuant to the terms of the SPA, Bonus First shall sell, and Dashan International shall acquire, 30,600,000 A shares in KSI and the shareholders' loans at a consideration (the “**Consideration**”) of GBP5,500,000 and GBP300,000, respectively.

At the request of Bonus First, in order to facilitate its fund arrangement, Bonus First requested Dashan International to settle the Consideration within the PRC. Accordingly, Bonus First appointed a nominee (the “**Nominee**”) as the authorised payee and Dashan International authorised Dashan Training to pay the Consideration on its behalf.

The Consideration was paid by Dashan Training to the Nominee in full in November and December 2022.

According to the AUP Investigation, the Nominee's sole shareholder is a former employee of a wholly-owned subsidiary of the Company during the period from 23 March 2017 to 30 April 2023. He resigned from the position of supervisor due to personal reasons.

Although the aforementioned individual was still an employee of the Company's subsidiary when Dashan Training paid the Consideration to the Nominee, such payment arrangement was authorised by Bonus First and Bonus First confirmed in a receipt certificate that it has received the Consideration in full.

Mazars conducted independent company searches on the Company's subsidiaries and the Nominee and did not find any of the phone numbers of the Company's subsidiaries registered in the PRC is the same as that of the Nominee's.

Limitation of the AUP Investigation

Mazars confirmed that the AUP Report is prepared in accordance with the Hong Kong Standard on Related Services 4400 (Revised). Mazars makes no representation regarding the appropriateness of the AUP Investigation. The AUP Investigation is not an assurance engagement and Mazars does not express an opinion or an assurance conclusion.

THE SIC'S AND THE BOARD'S VIEWS ON THE AUP REPORT

The SIC and the Board are of the view that the AUP Investigation has investigated into the Audit Matters identified by the Former Auditor during the course of its review of the 2022 Audited Annual Results to the extent that is practicable and that the content and the findings of the AUP Investigation are reasonable and acceptable.

Having considered the finding of the AUP Report, in particular (i) the AUP Investigation did not uncover any acts of fraud or financial misconduct; (ii) Zhonghui Anda also indicated that it has not identified any unusual or inconsistency of evidence/documents obtained in respect of each Audit Matter; and (iii) based on the information obtained in the AUP Investigation and other audit evidences obtained and the additional audit procedures performed by Zhonghui Anda so far, except for some internal control weakness such as, in relation to Audit Matter 2 on weak maintenance of attendance track records regarding certain online training sessions held, nothing has come to the attention of Zhonghui Anda up to the current stage that any of the Audit Matters would significantly affect the audit opinion of the Group's financial statements for the year ended 31 December 2022, the Board and the SIC are of the view that the AUP Investigation is sufficient and adequate to address each of the Audit Matters. With the view to resolve the internal control weakness and to prevent similar incidents from occurring in the future, the Company has adopted various enhanced internal control measures in maintaining proper written records (including the attendance track records of online training sessions).

Up to the date of this announcement, nothing was brought to the attention of the SIC and the Board with reference to the AUP Report that would suggest any current or former Directors or senior management of the Company engaged in any fraudulent or dishonest acts with regard to the Audit Matters that might pose a risk to shareholders and potential investors of the Company and/or damage market confidence.

Having considered the findings of the AUP Report and the Internal Control Review (as illustrated below), the SIC and the Board resolved that it is essential for the Company to proactively take such remedial actions as may be necessary or appropriate to safeguard the interests of the Company and its shareholders in a timely manner, including but not limited to rectifying the internal control weaknesses to prevent the recurrence of events similar to the Audit Matters.

In hindsight, the SIC is of the view that the undue delay in publishing the 2022 Audited Annual Results leading to the suspension of trading in the Company's shares is an unfortunate outcome resulting from inefficient and ineffective communication between the Company and the Former Auditor during the course of audit for the financial year ended 31 December 2022. To prevent any future undue delay in publishing its financial statements, the SIC recommends the Board and the Company's management to take a more proactive role in the audit process, including but not limited to:

- (a) strengthening its internal controls in relation to the maintenance of attendance track records for its provision of online training services;
- (b) engaging in early discussion with the auditors in relation to the audit scope, audit plan, audit method and major issues in relation to the audit. In particular, when there is a change in the regulatory environment in which the Group operates or a change in the Group's operations or business model, the Company should promptly liaise with the auditors to ensure the auditors will have a full understanding on the Group's latest operating environment and business models. Also, if such change would result in additional audit procedures, early communication with the auditors would allow the Company to have sufficient time to plan, prepare and collate the necessary information required by the auditors to avoid any undue delay of the audit process;
- (c) maintaining a close dialogue with the auditors throughout the entire audit process to avoid any miscommunication between the Group and the auditors;
- (d) providing full cooperation to the auditors and allowing auditors full access to the Group's accounting records to facilitate the audit process;
- (e) engaging in constant communication with the auditors to understand their concerns so that any potential audit matters could be identified at an early stage;

- (f) following up with the auditors on any outstanding audit matters promptly such that the Company's management would have more time to resolve such outstanding audit matters as soon as practicable; and
- (g) keeping the Board and the audit committee of the Company updated with any potential unresolved audit issues to ensure any material audit issues could be addressed in a timely and effective manner.

THE INTERNAL CONTROL REVIEW

The SIC has engaged Mazars to perform to an overall internal control review of the Group (the “**Internal Control Review**”) for a review period during April 2022 to March 2023 and a follow-up review period during July 2023 to August 2023. Mazars has issued the internal control review report on 29 May 2024. The SIC and the Board have reviewed those findings and take necessary actions to address those internal control deficiencies in accordance with the recommendations of Mazars.

Summary of key findings in the Internal Control Review

Mazars has identified the following key findings of the Internal Control Review in relation to the AUP Investigation on the Audit Matters.

As at the date of this announcement, the Company has adopted all the recommendations given by Mazars on the findings of the Internal Control Review in relation to the AUP Investigation on the Audit Matters to rectify the internal control deficiencies. Mazars has also conducted follow-up reviews with the objective of independently following up the rectification of the review findings and all recommendations have been implemented.

Set out below are (i) the key internal control deficiencies in relation to the AUP Investigation on the Audit Matters as identified by Mazars; and (ii) the Company's response and subsequent follow-up actions.

No.	Key findings in relation to the AUP Investigation on the Audit Matters	The Company's response and subsequent follow-up actions
1.	The written record of legal advice on significant transactions was not properly kept.	The Group was recommended to keep proper record of the legal advice in relation to significant transactions and designate responsible personnel to keep the records properly for future reference. The Group has updated the Notifiable Transaction Disclosure Policy to ensure that transactions are properly identified for the percentage ratio calculation test, and the percentage ratio calculation test will be properly conducted and recorded. However, as confirmed by the management of the Group, there were no transactions identified for conducting the percentage ratio during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.
2.	Lack of a set of formal and comprehensive written policies and procedures document for third party payment and collection.	The Group was recommended to establish, as soon as possible, a set of formal and comprehensive policies and procedures document for third party payment and collection. The recommendation has been adopted, and the Group has updated the Monetary and Fund Management Policy, which requires a tripartite agreement on collection and payment to be signed before the payment or collection can be carried out. However, as confirmed by the management of the Group, there was no third party payment or collection occurred during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.

No.	Key findings in relation to the AUP Investigation on the Audit Matters	The Company's response and subsequent follow-up actions
3.	Deficiencies in the contract management procedures such as absence of contract signing date, absence of written records of the contract approval date, contracts not being approved on time, absence of written records of internal approvals, absence of signature by the company representative.	The Group has updated its Contract Signing Management Policy, which standardises, among other things, the drafting, approval and signing process of contract. However, as confirmed by the management of the Group, there were no training or advisory services contract being signed during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.
4.	Deficiencies in the investment approval process such as absence of written records of the review by the management and/or the Board for certain documents involved in the investment approval procedure.	The Group has updated its External Investment Management Policy to ensure proper review and approval for certain documents involved in the investment approval procedure were followed. However, as confirmed by the management of the Group, there was no investment being conducted during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.
5.	Deficiencies in the payment collection procedure in relation to the provision of training and advisory services such as the customer fails to pay for the service fee in accordance with the terms of the contract and the record of the collection of service fees receivable were not properly kept.	The Group has formulated and adopted the Sales Management Policy and the Customer Management Policy, which require, among other things, that the Group shall conduct background checks and credit assessments on customers and require customers to pay service fees in accordance with the terms of contract. However, as confirmed by the management of the Group, there was no provision of training and advisory services being conducted during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.

No.	Key findings in relation to the AUP Investigation on the Audit Matters	The Company's response and subsequent follow-up actions
6.	Deficiencies in the fixed assets procurement procedures such as the Material Requirement Application Form has not been prepared and competitive bidding procedures were not properly performed.	The recommendation has been adopted. Material Requirement Application Form has been prepared to initiate the procurement procedure, and such form has been signed by the department head and approved by the chairman of the Board. Besides, competitive bidding process has been conducted and the Price Comparison Form has been prepared and approved before purchasing fixed assets.
7.	Project feasibility report was prepared after the completion of the project bidding procedure.	The Group has updated the Procurement Management Policy, which requires, among other things, that the Group shall prepare project feasibility report in respect of significant procurement, and the Group shall commence the bidding process after the project feasibility report was being approved. However, as confirmed by the management of the Group, there was no tender being prepared and submitted during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.

No.	Key findings in relation to the AUP Investigation on the Audit Matters	The Company's response and subsequent follow-up actions
8.	<p>Absence of a set of written policies on provision of loan to third parties.</p> <p>Absence of written records on due diligence exercise, risk analysis and independence check on borrower.</p> <p>Absence of written records on internal approvals for the entering into of loan agreement.</p>	<p>The Group has updated its Financial Management Policy, which specifies, among other things, that the Group shall conduct due diligence on third party borrowers before provision of loan by the Group, including but not limited to background information, financial condition, credibility and risk assessment, independence, and whether there is any pledge of assets or litigation.</p> <p>The policy also includes the approval procedures for the provision of loan, depending on the principal amount of the loan involved. The entering into of loan agreement by the Group shall abide strictly by the Contract Signing Management Policy adopted by the Group.</p> <p>Upon grant of the loan, the Group shall conduct credibility and risk level assessment on the borrower at least once a year and take appropriate actions in case of breach of terms of the loan by the borrower. However, as confirmed by the management of the Group, there was no new loan being granted by the Group during the internal control follow-up review period, therefore, there was no sample available for Mazars's follow-up testing purposes.</p>

No.	Key findings in relation to the AUP Investigation on the Audit Matters	The Company's response and subsequent follow-up actions
9.	Payments having been made by the Group prior to completion of approval procedures and the use of funds was not stated in the Payment Requisition and Approval Form.	The recommendation has been adopted and the Group has updated its Financial Management Policy, which stipulates that, prior to withdrawal of funds, the relevant department or personnel shall file the Payment Requisition and Approval Form to designated officers with details such as the amount and use of funds which shall be substantiated by the relevant contract. Payment shall only be made upon completion of the above-mentioned approval procedures.
10.	Certain contracts were entered into by the Group without written records of application and approval for affixation of company chop.	The recommendation has been adopted and the Group has updated its the Financial Management Policy, which provides that the relevant operating units shall maintain a register of use of company chop (including date, business unit and personnel involved, usage), and the Group's policy on company chop management (including the internal approval procedures) shall be strictly followed.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 March 2023. Trading in the shares of the Company will remain suspended until further notice.

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company.

By order of the Board
Dashan Education Holdings Limited
Zhang Hongjun
*Chairman, Chief Executive Officer
and Executive Director*

Zhengzhou, 29 May 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Hongjun and Mr. Shan Jingchao; the non-executive Director is Mr. Jia Shuilin; and the independent non-executive Directors are Mr. Zhang Jian, Dr. Xie Xiangbing and Ms. Wang Yanxiao.

* *For identification purpose only*