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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
and carrying on business in Hong Kong as “ChinaEdu 中教常春藤”)*

(Stock Code: 839)

**UPDATE ON DISCLOSEABLE TRANSACTION –
ACQUISITION OF THE REMAINING STATE-OWNED INTEREST OF
A UNIVERSITY IN SHANDONG**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 14 January 2019. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the Purchaser and Shandong Dazhong News Group entered into an equity transfer agreement which took effect on 20 March 2019, pursuant to which Shandong Dazhong News Group agreed to sell and the Purchaser agreed to acquire 49.09% state-owned equity interest of the Target at a consideration of RMB223,114,050 (equivalent to approximately HK\$261,043,438.50). The Target primarily owns 100% of the co-sponsor interest in Quancheng University.

This equity transfer agreement has been reviewed by Shandong Property Right Exchange Center and Shandong Culture Asset and Equity Exchange.

Based on the above-mentioned consideration for the acquisition of 49.09% state-owned equity interest of the Target, the consideration for the acquisition of 50.91% equity interest of the Target as pursuant to the Agreements does not need to be adjusted and will be approximately RMB252,412,573.25 (equivalent to approximately HK\$292,798,584.97*) as stated in the Announcement.

Up to the date of this announcement, the Purchaser has paid RMB115,692,975 (equivalent to approximately HK\$134,203,851*) to the Vendors to acquire 50.91% equity interest in the Target. The Purchaser has also paid RMB21,026,623.25 (equivalent to approximately HK\$24,390,882.97*) to Quancheng University being the payment of the Loan to Quancheng University pursuant to the Pengjian Equity Transfer Agreement.

Completion is subject to the fulfilment (or where applicable, waiver) of a number of conditions.

Upon completion of the Acquisition, the Purchaser will own 100% of the equity interest in the Target.

The Company will make further announcement to update the shareholders on the status of the Acquisition as and when appropriation.

* *The exchange rate of RMB and HK\$ adopted for these figures is based on the exchange rate (RMB1.00 = HK\$1.16) as at the date of the Announcement.*

Save for the above and for illustrative purposes only, conversion of RMB into HK\$ is made at the following exchange rate: RMB1.00 = HK\$1.17. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

The English names of the PRC entities referred to in this announcement are merely translations from their Chinese names and are for identification purposes only. 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, 20 March 2019

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