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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)

**COMPLETION OF TOP-UP PLACING OF EXISTING SHARES AND
SUBSCRIPTION FOR NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



The Company is pleased to announce that completion of the Placing and the Subscription took place on 29 January 2021 and 3 February 2021, respectively. The Company received total net proceeds of approximately HK\$2.01 billion (net of related costs, professional fees and out-of-pocket expenses) and intends to use the same for (1) potential acquisitions; and (2) expansion and development of the Group’s new campuses in the Greater Bay Area.

Reference is made to the announcement of the Company dated 26 January 2021 (the “**Announcement**”) in relation to, among other things, the Placing and the Subscription. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Company is pleased to announce that completion of the Placing and the Subscription took place on 29 January 2021 and 3 February 2021, respectively.

A total of 122,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$16.60 per Share to not less than six independent placees selected and/or procured by or on behalf of the Placing Agent. The Placing Agent, the placees and their respective ultimate beneficial owners are third parties independent of and not connected with the Company, any director, chief executive or substantial shareholder (including Blue Sky and White Clouds) of the Company or any of its subsidiaries, or any of their respective associates, and not acting in concert with Blue Sky and White Clouds and its concert parties. None of the placees and their ultimate beneficial owners has become a substantial shareholder (as defined under the Listing Rules) of the Company upon taking up the Placing Shares.

Further, all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 3 February 2021. A total of 122,000,000 Subscription Shares (equal to the number of the Placing Shares successfully placed under the Placing) were subscribed by Blue Sky and White Clouds at the net Subscription Price (after deduction of related costs and expenses in relation to the Placing and the Subscription) of approximately HK\$16.50 for each Subscription Share. The Subscription Shares represent approximately 5.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Company received total net proceeds of approximately HK\$2.01 billion (net of related costs, professional fees and out-of-pocket expenses) and intends to use the same for (1) potential acquisitions; and (2) expansion and development of the Group's new campuses in the Greater Bay Area.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The table below sets out the shareholding structure of the Company before and after the Placing and the Subscription:

Shareholders	Immediately before completion of the Placing and Subscription		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Controlling shareholders (Note 1)	1,500,000,000	69.75	1,378,000,000	64.08	1,500,000,000	66.00
Public						
Placees	N/A	N/A	122,000,000	5.67	122,000,000	5.37
Other public shareholders	650,522,000	30.25	650,552,000	30.25	650,552,000	28.63
			(Note 2)			
Total	<u>2,150,522,000</u>	<u>100.00</u>	<u>2,150,552,000</u>	<u>100.00</u>	<u>2,272,552,000</u>	<u>100.00</u>

Notes:

1. The controlling shareholders, being Blue Sky and White Clouds, each holds 750,000,000 shares, 689,000,000 shares and 750,000,000 shares of the Company, immediately before completion of the Placing and Subscription, immediately after completion of the Placing but before the Subscription, and immediately after completion of the Placing and the Subscription, being approximately 34.88%, 32.04% and 33.00% of the issued share capital of the Company (as enlarged by the allotment and issue of the Subscription Shares, as the case may be). As Blue Sky, White Clouds, Mr. Yu Guo and Mr. Xie Ketao entered into the Concert Party Agreement to align their shareholding interests in the Company, pursuant to which Blue Sky, White Clouds, Mr. Yu Guo and Mr. Xie Ketao agreed to vote in concert with each other for all operational and other matters at Board meetings or Shareholders' meeting of the Company (through himself, Blue Sky or White Clouds, as the case may be).
2. 30,000 Shares were issued on 1 February 2021 pursuant to the exercise of share options granted under the Company's post-IPO share option scheme by eligible employees of the Company.

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

Hong Kong, 3 February 2021

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.