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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)

MAJOR TRANSACTIONS STRUCTURED DEPOSIT AGREEMENTS

SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS

On 10 August 2021 and 11 November 2021, Shanxi Technology & Business entered into the Structured Deposit Agreement (August 2021) and Structured Deposit Agreement (November 2021) (collectively the “**Post-Listing Structured Deposit Agreements**”) with SPD Bank, pursuant to which Shanxi Technology & Business agreed to subscribe for structured deposit products offered by SPD Bank, each with a principal amount of RMB400,000,000.

Within a period of 12 months before 11 November 2021, in addition to the Post-Listing Structured Deposit Agreements, Shanxi Technology & Business also entered into the Pre-Listing Structured Deposit Agreements, namely the Structured Deposit Agreement (December 2020) and the Structured Deposit Agreement (March 2021) with SPD Bank on 31 December 2020 and 31 March 2021 respectively, pursuant to which Shanxi Technology & Business agreed to subscribe for certain structured deposits offered by SPD Bank, each with a principal amount of RMB400,000,000. The subscriptions are funded by idle funds of the Group and not by the proceeds from the Global Offering.

LISTING RULES IMPLICATIONS

As the Post-Listing Structured Deposit Agreements and the Pre-Listing Structured Deposit Agreements were entered into with the same bank and were of similar nature and within a 12-month period, the Post-Listing Structured Deposit Agreements shall be aggregated with the Pre-Listing Structured Deposit Agreements for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable ratio of the Post-Listing Structured Deposit Agreements, as aggregated with the Pre-Listing Structured Deposit Agreements, exceeds 25% but is less than 100%, the Post-Listing Structured Deposit Agreements constitutes major transactions for the Company and therefore shall subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve, confirm and/or ratify the Post-Listing Structured Deposit Agreements if the Company were to convene a general meeting to approve, confirm and/or ratify the same. The Company has received written certificate to approve, confirm and ratify the Post-Listing Structured Deposit Agreements from Niusanping Limited and Niujian Limited, being a closely allied group of Shareholders, which together hold 375,000,000 issued shares of the Company (representing approximately 74.18% of the total issued shares of the Company) as at the date of this announcement, in accordance with Rule 14.44 of the Listing Rules. No Shareholders' meeting will be convened by the Company to approve, confirm and/or ratify the Post-Listing Structured Deposit Agreements.

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Post-Listing Structured Deposit Agreements and the transactions under it; and (ii) financial information of the Group shall be despatched within 15 business days after publication of this announcement, i.e. on or before 29 December 2021. Since the Company requires additional time to allow for preparation of the disclosure of certain financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

INTRODUCTION

On 10 August 2021 and 11 November 2021, Shanxi Technology & Business entered into the Structured Deposit Agreement (August 2021) and Structured Deposit Agreement (November 2021) (collectively the "**Post-Listing Structured Deposit Agreements**") with SPD Bank, pursuant to which Shanxi Technology & Business agreed to subscribe for structured deposit products offered by SPD Bank, each with a principal amount of RMB400,000,000.

Within a period of 12 months before 11 November 2021, in addition to the Post-Listing Structured Deposit Agreements, Shanxi Technology & Business also entered into the Pre-Listing Structured Deposit Agreements, namely the Structured Deposit Agreement (December 2020) and the Structured Deposit Agreement (March 2021) with SPD Bank on 31 December 2020 and 31 March 2021 respectively, pursuant to which Shanxi Technology & Business agreed to subscribe for certain structured deposits offered by SPD Bank, each with a principal amount of RMB400,000,000. The subscriptions are funded by idle funds of the Group and not by the proceeds from the Global Offering.

THE STRUCTURED DEPOSIT AGREEMENT (NOVEMBER 2021)

The principal terms of the Structured Deposit Agreement (November) are set out as follows:

Date:	11 November 2021
Parties:	(i) Shanxi Technology & Business (ii) SPD Bank
Name of products:	Liduoduo Stable Profit (3 Months Bullish Network Point Only) RMB-Denominated Corporate Structured Deposit Phase 21JG6497* (利多多公司穩利21JG6497期 (3個月看漲網點專屬)人民幣對公結構性存款)
Type of product:	Principal-guaranteed with variable return
Internal risk rating by the bank:	Low Risk
Subscription amount:	RMB400,000,000
Term of investment:	From 12 November 2021 to 11 February 2022
Expected annualized floating rate of return:	(1) If the observation price (as set out below) is lower than 94.30% of the initial price (as set out below), the expected annualized floating rate of return would be 0%. (2) If the observation price is higher than or equal to 94.30% but lower than 102.27% of the initial price (as set out below), the expected annualized floating rate of return would be 1.7%. (3) If the observation price is higher than or equal to 102.27% of the initial price (as set out below), the expected annualized floating rate of return would be 1.9%.

The initial price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on 15 November 2021.

The observation price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 2:00 p.m. (Beijing time) on 8 February 2022.

Principle for calculation of return and interest:	Expected return = principal × (guaranteed return rate (1.40%) + annualized floating rate of return) × number of days of interest accrual ÷ 360; actual return is calculated based on simple interest
Right of early redemption:	Shanxi Technology & Business has no right of early termination (redemption) for this product. SPD Bank has the right to early terminate this product according to the actual investment situation without further notice to the customers, provided that it shall publish an information announcement at its branches, or websites or in other means within two working days before the date of early termination.

THE STRUCTURED DEPOSIT AGREEMENT (AUGUST 2021)

The principal terms of the Structured Deposit Agreement (August) are set out as follows:

Date:	10 August 2021
Parties:	(i) Shanxi Technology & Business (ii) SPD Bank
Name of products:	Liduoduo Stable Profit (3 Months Bullish Network Point Only) RMB-denominated Corporate Structured Deposit Phase 21JG6287* (利多多公司穩利21JG6287期(3個月看漲網點專屬)人民幣對公結構性存款)
Type of product:	Principal-guaranteed with variable return
Internal risk rating by the bank:	Low Risk
Subscription amount:	RMB400,000,000
Term of investment:	From 11 August 2021 to 11 November 2021
Expected annualized floating rate of return:	(1) If the observation price (as set out below) is lower than 93.90% of the initial price (as set out below), the expected annualized floating rate of return would be 0%. (2) If the observation price is higher than or equal to 93.90% but lower than 103.00% of the initial price (as set out below), the expected annualized floating rate of return would be 1.70%.

- (3) If the observation price is higher than or equal to 103.00% of the initial price (as set out below), the expected annualized floating rate of return would be 1.90%.

The initial price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on 12 August 2021.

The observation price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 2:00 p.m. (Beijing time) on 8 November 2021.

Principle for calculation of return and interest:

Expected return = principal × (guaranteed return rate (1.40%) + annualized floating rate of return) × number of days of interest accrual ÷ 360; actual return is calculated based on simple interest

Right of early redemption:

Shanxi Technology & Business has no right of early termination (redemption) for this product.

SPD Bank has the right to early terminate this product according to the actual investment situation without further notice to the customers, provided that it shall publish an information announcement at its branches, or websites or in other means within two working days before the date of early termination.

THE PRE-LISTING STRUCTURED DEPOSIT AGREEMENTS

The principal terms of the Structured Deposit Agreement (December) and the Structured Deposit Agreement (March) are set out as follows:

1. Structured Deposit Agreement (December 2020)

Date:	31 December 2020
Parties:	(i) Shanxi Technology & Business (ii) SPD Bank
Name of products:	Liduoduo Stable Profit RMB-denominated Corporate Structured Deposit Phase 20JG9744* (利多多公司穩利20JG9744期人民幣對公結構性存款)
Type of product:	Principal-guaranteed with variable return
Internal risk rating by the bank:	Low Risk
Subscription amount:	RMB400,000,000
Term of investment:	From 31 December 2020 to 31 March 2021
Expected annualized floating rate of return:	(1) If the observation price (as set out below) is lower than 70% of the initial price (as set out below), the expected annualized floating rate of return would be 0%. (2) If the observation price is higher than or equal to 70% but lower than 125% of the initial price (as set out below), the expected annualized floating rate of return would be 1.40%. (3) If the observation price is higher than or equal to 125% of the initial price (as set out below), the expected annualized floating rate of return would be 1.60%.

The initial price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on the second business days in London after 31 December 2020.

The observation price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on the second business days in London before 31 March 2021.

Principle for calculation of return and interest: Expected return = principal × (guaranteed return rate (1.40%) + annualized floating rate of return) × number of days of interest accrual ÷ 360; actual return is calculated based on simple interest

Right of early redemption: Shanxi Technology & Business has no right of early termination (redemption) for this product.

SPD Bank has the right to early terminate this product according to the actual investment situation without further notice to the customers, provided that it shall publish an information announcement at its branches, or websites or in other means within two working days before the date of early termination.

2. Structured Deposit Agreement (March 2021)

Date: 31 March 2021

Parties: (i) Shanxi Technology & Business
(ii) SPD Bank

Name of products: Liduoduo Stable Profit RMB-denominated Corporate Structured Deposit Phase 21JG5589* (利多多公司穩利21JG5589期人民幣對公結構性存款)

Type of product: Principal-guaranteed with variable return

Internal risk rating by the bank: Low Risk

Subscription amount: RMB400,000,000

Term of investment:	From 31 March 2021 to 1 July 2021
Expected annualized floating rate of return:	<p>(1) If the observation price (as set out below) is lower than 50% of the initial price (as set out below), the expected annualized floating rate of return would be 0%.</p> <p>(2) If the observation price is higher than or equal to 50% but lower than 140% of the initial price (as set out below), the expected annualized floating rate of return would be 1.80%.</p> <p>(3) If the observation price is higher than or equal to 140% of the initial price (as set out below), the expected annualized floating rate of return would be 2.00%.</p>

The initial price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on the second business days in London after 31 March 2021.

The observation price is the EUR-USD spot rate to be published on the “EUR CURRENCY BFIX” page of the website of Bloomberg at 10:00 a.m. (Beijing time) on the second business days in London before 1 July 2021.

Principle for calculation of return and interest:	Expected return = principal × (guaranteed return rate (1.40%) + annualized floating rate of return) × number of days of interest accrual ÷ 360; actual return is calculated based on simple interest
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Right of early redemption:	Shanxi Technology & Business has no right of early termination (redemption) for this product.
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SPD Bank has the right to early terminate this product according to the actual investment situation without further notice to the customers, provided that it shall publish an information announcement at its branches, or websites or in other means within two working days before the date of early termination.

REASONS FOR AND BENEFITS FOR SUBSCRIPTION OF THE STRUCTURED DEPOSIT PRODUCTS PURSUANT TO THE POST-LISTING STRUCTURED DEPOSIT AGREEMENTS

Shanxi Technology & Business funded the subscription of the structured deposit products pursuant to the Post-Listing Structured Deposit Agreements by utilizing its idle funds. The structured deposit products under the Post-Listing Structured Deposit Agreements are principal-protected and short-term investment products with low risk. The structured deposit products were issued by SPD Bank, which is a reputable commercial bank in PRC, and the expected returns were better than the prevailing fixed-term deposit interest rates offered by banks or licensed financial institutions. The Directors believe that the subscription of the structured deposit products pursuant to the Post-Listing Structured Deposit Agreements would efficiently and reasonably utilize the idle funds of the Group with secured returns. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the terms of the Post-Listing Structured Deposit Agreements were arrived at after the arm's length negotiation and the transaction contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Post-Listing Structured Deposit Agreements and the Pre-Listing Structured Deposit Agreements were entered into with the same bank and were of similar nature and within a 12-month period, the Post-Listing Structured Deposit Agreements shall be aggregated with the Pre-Listing Structured Deposit Agreements, for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable ratio of the Post-Listing Structured Deposit Agreements, as aggregated with the Pre-Listing Structured Deposit Agreements, exceeds 25% but is less than 100%, the Post-Listing Structured Deposit Agreements constitutes major transactions for the Company and therefore shall subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve, confirm and/or ratify the Post-Listing Structured Deposit Agreements if the Company were to convene a general meeting to approve, confirm and/or ratify the same. The Company has received written certificate to approve, confirm and ratify the Post-Listing Structured Deposit Agreements from Niusanping Limited and Niu Jian Limited, being a closely allied group of Shareholders, which together hold 375,000,000 issued shares of the Company (representing approximately 74.18% of the total issued shares of the Company) as at the date of this announcement, in accordance with Rule 14.44 of the Listing Rules. No Shareholders' meeting will be convened by the Company to approve, confirm and/or ratify the Post-Listing Structured Deposit Agreements.

REMEDIAL ACTIONS

Pursuant to Rule 14.34 of the Listing Rules, after the terms of a major transaction have been finalised, the Company must publish an announcement as soon as possible. The transaction in respect of the Post-Listing Structured Deposit Agreements was entered into after the Listing Date and was subject to such requirement pursuant to Rule 14.34 of the Listing Rules.

As the structured deposit products are principal-guaranteed in nature, the responsible staff of the Company believed that they are equivalent to fixed deposits, without realizing that the subscription of structured deposit products would constitute “transactions” under Chapter 14 of the Listing Rules. As a result, the Company did not publish an announcement of the Post-Listing Structured Deposit Agreements in a timely manner. Subsequently, the Company discovered this matter and make this announcement on its initiative.

The Company deeply regrets the delay of the publication of this announcement, and it would like to stress that such delay was inadvertent and the Company had no intention to withhold any information relating to the subscription of the structured deposit products from disclosure.

To prevent the reoccurrence of the such delay, the Company has adopted the following measures:

- (a) The Company has reminded its responsible staff of the treatment of the subscription of structured deposit products and other wealth management products under the Listing Rules to avoid delay in disclosure in the future should such obligations arise. The Company will also offer trainings to the responsible staff, the management and the Directors relating to notifiable transactions under the Listing Rules in order to strengthen and reinforce their existing knowledge as well as their ability to identify potential issues at an early stage.
- (b) The Company will work more closely with its compliance adviser and legal advisers on compliance issues and shall, as and when appropriate, consult other professional advisers before entering into any potential notifiable transaction.
- (c) The Company will strengthen the coordination and reporting arrangements for notifiable transactions among various departments of the Company to ensure due compliance of the Listing Rules. Prior to entering into any transaction not in the ordinary and usual course of business of the Group in the future where disclosure threshold is met, the relevant departments will be notified and draft agreements will be circulated for their review prior to entry into of such agreements to ensure compliance with applicable requirements under the Listing Rules.

The Directors believe that the implementation of the remedial measures as disclosed above will strengthen and reinforce the knowledge of the responsible staff, management and Directors relating to notifiable transactions under the Listing Rules, and improve the regulatory compliance abilities of the Company in the identification and reporting of related issues with assistance from appropriate external advisers.

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Post-Listing Structured Deposit Agreements and the transactions under it; and (ii) financial information of the Group shall be despatched within 15 business days after publication of this announcement, i.e. on or before 29 December 2021. Since the Company requires additional time to allow for preparation of the disclosure of certain financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

INFORMATION ON THE PARTIES

The Group is principally engaged in private higher education in the PRC. Shanxi Technology & Business is a private undergraduate college in the PRC and an affiliated entity of the Company.

SPD Bank is a licensed bank in the PRC and a joint stock company established under the laws of the PRC, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 600000).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SPD Bank and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	China General Education Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 2175)
“Directors”	the director(s) of the Company
“Global Offering”	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	16 July 2021, being the date on which the Shares were listed and from which dealings therein took place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Niu Jian Limited”	Niu Jian Limited (牛健有限公司), a company incorporated under the laws of the BVI with limited liability on 3 August 2018, and is 100% owned by Mr. Niu Jian, an executive Director
“Niusanping Limited”	Niusanping Limited, a company incorporated under the laws of the BVI with limited liability, and is 100% owned by Mr. Niu Sanping, an executive Director and the chairman of the Board
“Post-Listing Structured Deposit Agreements”	the Structured Deposit Agreement (August 2021) and the Structured Deposit Agreement (November 2021)
“PRC”	The People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-Listing Structured Deposit Agreements”	the Structured Deposit Agreement (December 2020) and the Structured Deposit Agreement (March 2021)
“Prospectus”	the prospectus of the Company published on 30 June 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Shanxi Technology & Business”	Shanxi Technology and Business College (山西工商學院) (formerly known as Shanxi Vocational College of Technology and Business* (山西工商職業學院)), a private undergraduate college in Shanxi Province and one of the consolidated affiliated entities of the Company
“Share(s)”	the ordinary share in the share capital of the Company
“Shareholder(s)”	holder(s) of share(s)

“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 600000)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit Agreement (August 2021)”	the structured deposit agreement entered into between Shanxi Technology & Business and SPD Bank dated 10 August 2021 in relation to the purchase of structured deposit
“Structured Deposit Agreement (December 2020)”	the structured deposit agreement entered into between Shanxi Technology & Business and SPD Bank dated 31 December 2020 in relation to the purchase of structured deposit
“Structured Deposit Agreement (March 2021)”	the structured deposit agreement entered into between Shanxi Technology & Business and SPD Bank dated 31 March 2021 in relation to the purchase of structured deposit
“Structured Deposit Agreement (November 2021)”	the structured deposit agreement entered into between Shanxi Technology & Business and SPD Bank dated 11 November 2021 in relation to the purchase of structured deposit
“Structured Deposit Agreements”	the Structured Deposit Agreement (December 2020), the Structured Deposit Agreement (March 2021), the Structured Deposit Agreement (August 2021) and the Structured Deposit Agreement (November 2021)
“%”	per cent

* *The English translation of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

Hong Kong, 7 December 2021

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. Yau Wai Man Philip.