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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)

RESIGNATION OF AUDITOR AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Dashan Education Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

Reference is made to the announcements of the Company dated 29 March 2023, 19 April 2023, and 9 May 2023 respectively (the “**Announcements**”) in respect of, among others, the delay in publication of the 2022 Audited Annual Results and the Resumption Guidance. The Company is actively taking remedial measures to meet the Resumption Guidance imposed by the Stock Exchange, and it is particularly important and critical to complete the 2022 Audited Annual Results. Given the Company is of the view that there is no evidence suggesting fraud is involved in the Audit Matters at this moment, the Company considered that appointing its own external and independent professional parties with appropriate experience and credentials to conduct an agreed-upon procedures investigation (the “**AUP Investigation**”) is more suitable at this stage. After the completion of the AUP Investigation, the SIC will review their report and material findings and take other follow up actions (e.g forensic investigation) if and when appropriate.

Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

RESIGNATION OF AUDITOR

The board of directors of the Company (the “**Board**”) hereby announces that, Messrs. Deloitte Touche Tohmatsu (“**Deloitte**”) has tendered its resignation as the auditor of the Company (the “**Auditor**”) with effect from 22 May 2023 (the “**Resignation**”).

In its resignation letter, Deloitte referred to its letter dated 20 March 2023 to the Audit Committee setting out their concerns in relation to the commercial substance and business rationale of (i) certain payments totaling RMB100,000,000 in connection with software development services, (ii) a loan totaling RMB9,000,000 granted by the Group, and (iii) an acquisition of 45.74% equity interest in an entity in the United Kingdom with consideration of GBP5,800,000; and their concerns relating to the validity of training and advisory services revenue totaling RMB13,000,000 recorded by the Group (collectively, the “**Audit Matters**”); and recommending that the Audit Committee engage a competent and independent investigation firm to conduct forensic investigation procedures into the Audit Matters and to report its findings to the Audit Committee. Deloitte further mentioned in its resignation letter that despite their written correspondence to the Audit Committee dated 20 April 2023 and 4 May 2023 recommending and emphasizing the importance of certain key forensic procedures, the Company informed them on 6 May 2023 that the Board will not adopt the recommended forensic procedures. Deloitte remain of the view that, given the seriousness and nature of the Audit Matters, it is necessary for the Audit Committee to conduct an independent forensic investigation, instead of the agreed upon procedures as suggested by the Company, in order to bring closure to the concerns they raised in their letter of 20 March 2023. In light of the above, Deloitte tendered their resignation as auditor of the Company on 22 May 2023.

With reference to the Audit Matters and given the fact that Deloitte has not completed the audit, it has stated in its resignation letter that it is not in a position to confirm whether there are any other matters that need to be brought to the attention of the shareholders or creditors of the Company.

Save as disclosed above, the Board is not aware of any other disagreement between the Company and Deloitte, and/or any matters in relation to the Resignation that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its heartfelt gratitude to Deloitte for its professional services provided to the Company over the past years.

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 of the Company 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, 23 May 2023

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.