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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)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by Dashan Education Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A 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 Auditor; (v) 25 May 2023 in relation to the appointment of Auditor; (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; and (ix) 29 September 2023 in relation to the 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.

UPDATE ON THE RESUMPTION PROGRESS

As disclosed in the announcement of the Company dated 9 May 2023, the Company received the following Resumption Guidance from the Stock Exchange, requiring the Company to:

- (a) conduct an appropriate independent investigation into the Audit Matters, announce the findings and take appropriate remedial actions;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

- (c) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (d) announce all material information for the Company's shareholders and investors to appraise its position.

The Company is taking active steps to fulfill the Resumption Guidance, that will lead to the resumption of trading in the shares of the Company. The status of resumption since the suspension of trading in the shares of the Company are summarised as follows:

Update on the independent investigation into the Audit Matters

The Company has engaged Mazars Risk Advisory Services Limited (“**Mazars**”), an external and independent accounting firm, and Allbright Law Offices (“**Allbright**”), an external and independent law firm, to conduct the AUP Investigation on the Audit Matters. As at the date of this announcement, the Company is working with Mazars and Allbright to finalise the AUP Investigation findings report. The Company aims to publish such findings as soon as practicable. Further announcement(s) will be made by the Company to inform the shareholders and potential investors of the Company of any material development relating to the AUP Investigation as and when appropriate.

To prevent the recurrence of events similar to the Audit Matters, and as resolved by the SIC, the Company has engaged Mazars as the independent internal control adviser of the Company to perform an overall internal control review of the Group (the “**Internal Control Review**”). The Company aims to publish the findings of the Internal Control Review as soon as practicable.

Update on the outstanding financial results

As at the date of this announcement, the audit work is still ongoing and the expected dates of publication of the 2022 Audited Annual Results and 2023 Interim Results and despatch of the 2022 Annual Report and 2023 Interim Report will need to be further discussed with the Auditor after the AUP Investigation is completed and will be announced in due course.

Announce all material information

Since the suspension of trading in its shares, the Company has been keeping its Shareholders and potential investors informed of all material information to appraise the Company's position by way of announcements on the website of the Stock Exchange in accordance with the Listing Rules. The Company will continue to keep its Shareholders and potential investors abreast of the material developments by making further announcement(s) as and when appropriate.

BUSINESS UPDATE

The Group has been principally engaged in (i) the provision of primary and secondary after-school academic education services in the PRC (i.e. the Academic Education Business), which was ceased completely in March 2022; and (ii) the provision of extracurricular personal quality courses in the PRC, the provision of vocational education in the PRC and provision of overseas education consultation services in the PRC (i.e. the Non-academic Education Business).

In addition, the Board remains committed to improving the long-term financial performance and business operations of the Group over time with a view to fulfill the requirements set out in the Resumption Guidance. In this connection, the Board is actively exploring potential business opportunities by leveraging the Group's expertise on education business, and has further expanded its Non-academic Education Business by, among others, engaging in the provision of training programmes and consultancy services primarily to education institutions, schools and other enterprises and providing management and support services for private school business overseas.

Having considered the fierce market competition in the vocational training education business and given the Group's existing business scale and operation efficiency under the vocational training education business segment is relatively small, the Group is considering to discontinue the provision of vocational training education in the PRC to focus its resources on expansion of its Non-academic Education Business as detailed above.

Save as disclosed above, the business operations of the Group's Non-academic Education Business are continuing as usual in all material respect notwithstanding the trading in the shares of the Company has been suspended since 30 March 2023.

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, 29 December 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.