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JH Educational Technology INC.
嘉宏教育科技有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1935)

SUPPLEMENTAL ANNOUNCEMENT

**CONNECTED TRANSACTIONS
IN RELATION TO ACQUISITIONS OF PROPERTIES**

Reference is made to the announcement (the “**Announcement**”) dated 12 January 2022 of JH Educational Technology INC. (the “**Company**”) in relation to the acquisition of the Target Properties for a total consideration of RMB118.8 million. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company wishes to provide the Shareholders and potential investors with additional information on the Acquisitions as follows:

FURTHER INFORMATION ABOUT THE TARGET PROPERTIES

Purchase Agreement I

The properties acquired by the College of Economics and Business under the Purchase Agreement I consisted of (i) Units No. 201–217 of Building 1; (ii) Units No. 201–213 of Building 3; (iii) Units 1111 and 1112 of Building 3; (iv) Units No. 105 of Building 7; and (v) Units 101, 104 and 109 of Building 15 of Shangrila — Shuian Greentown* (香格里拉 — 水岸綠城). The following table sets forth detailed information of these properties:

	Appraised value (RMB million)	Original construction costs (RMB million)	Book value for the year ended 31 December		Net loss for the year ended 31 December	
			2020 (RMB million)	2021 (RMB million)	2020 (RMB million)	2021 (RMB million)
Units No. 201–217 of Building 1	9.98	6.92	6.92	6.92	0.03	0.03
Units No. 201–213 of Building 3	6.11	2.85	2.85	2.85	0.01	0.01
Units 1111 and 1112 of Building 3	4.12	4.23	4.23	4.23	0.02	0.02
Units No. 105 of Building 7	2.06	1.43	1.43	1.43	0.01	0.01
Units 101, 104 and 109 of Building 15	10.79	7.48	7.48	7.48	0.03	0.03

Purchase Agreement II

The property acquired by the College of Economics and Business under the Purchase Agreement II was Units No. 101–526 in five floors aboveground of Greentown Shopping Plaza* (綠城購物廣場). The following table sets forth detailed information of it:

	Appraised value (RMB million)	Original construction costs (RMB million)	Book value for the year ended 31 December		Net loss for the year ended 31 December	
			2020 (RMB million)	2021 (RMB million)	2020 (RMB million)	2021 (RMB million)
Units No. 101–526 in five floors aboveground	60.37	53.76	53.76	53.76	0.29	0.29

Purchase Agreement III

The properties acquired by the College of Economics and Business under the Purchase Agreement III consisted of (i) 50 car parking spaces in Building 8; (ii) 20 car parking spaces in Building 11; and (iii) 166 car parking spaces in Building 13 of Shangrila — Shuian Greentown* (香格里拉—水岸綠城). The following table sets forth detailed information of these properties:

	Appraised value (RMB million)	Original construction costs (RMB million)	Book value for the year ended 31 December		Net loss for the year ended 31 December	
			2020 (RMB million)	2021 (RMB million)	2020 (RMB million)	2021 (RMB million)
50 car parking spaces in Building 8	5.5	7.59	7.59	7.59	—	—
20 car parking spaces in Building 11	2.2	2.45	2.45	2.45	—	—
166 car parking spaces in Building 13	18.26	22.73	22.73	22.73	—	—

The properties acquired by the College of Economics and Business under Purchase Agreement I and Purchase Agreement II recorded net losses for the two financial years ended 31 December 2021 primarily because they did not generate any income but incurred the property management fees paid to an independent third party of the Company. The properties acquired by the College of Economics and Business under Purchase Agreement III were not put into use for the two financial years ended 31 December 2021, and therefore did not record any profit or loss.

FURTHER INFORMATION ABOUT BINZHOU PROPERTIES

As of the date of this announcement, Binzhou Properties is held as to (i) 50% by Yueqing City Zhangguang Properties Development Co., Ltd* (樂清市章光房地產開發有限公司) (the “**Yueqing Properties**”), which is held as to 50% by Mr. Zhao Zhangxing (趙章興); and (ii) 50% by Wenzhou Dexin Electrical Appliances Co., Ltd.* (溫州德信電器有限公司), which is held as to 80% by Mr. Zhao Zhangxing (趙章興). As of the same date, other than Mr. Zhao Zhangxing (趙章興), there is no shareholder who holds more than 30% of the equity interests in Yueqing Properties.

FURTHER INFORMATION ABOUT THE SOURCE OF FUNDING OF THE ACQUISITIONS

As disclosed in the Announcement, the payment of consideration for the Acquisitions will be funded by the internal resources of the Group. The Company does not intend to use any of the proceeds from the initial public offering of its shares on the Stock Exchange to fund such Acquisitions.

By order of the Board
JH Educational Technology INC.
Chen Yuguo
Chairman

Zhejiang, the PRC
19 January 2022

As at the date of this announcement, the executive Directors are Mr. Chen Yuguo, Mr. Chen Yuchun, Mr. Chen Shu, Mr. Chen Nansun and Mr. Chen Lingfeng; the non-executive Director is Ms. Zhang Xuli; and the independent non-executive Directors are Ms. Bi Hui, Mr. Fung Nam Shan and Mr. Wang Yuqing.

* *For identification purposes only*