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China 21st Century Education Group Limited

中國21世紀教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1598)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTIES**

THE PRE-SALE CONTRACTS

The Board hereby announces that on 20 June 2023 (after trading hours), Zerui Education (as the purchaser) entered into the Pre-Sale Contracts with Shijiazhuang Xinlian Hongtai (as the vendor) for the acquisition of a total of 58 office units of Anlian Tianrun Building located at Qiaoxi District, Shijiazhuang, Hebei Province, the PRC at the aggregate consideration of approximately RMB29,516,400.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The Board hereby announces that on 20 June 2023 (after trading hours), Zerui Education (as the purchaser) entered into the Pre-Sale Contracts with Shijiazhuang Xinlian Hongtai (as the vendor) for the acquisition of a total of 58 office units of Anlian Tianrun Building located at Qiaoxi District, Shijiazhuang, Hebei Province, the PRC at the aggregate consideration of approximately RMB29,516,400.

THE PRE-SALE CONTRACTS

Zerui Education and Shijiazhuang Xinlian Hongtai entered into 58 Pre-Sale Contracts in relation to the Acquisition. The principal terms of each of the Pre-Sale Contracts are set out below, which are substantially identical except for the property to be acquired and the consideration:

- Date: 20 June 2023 (after trading hours)
- Parties: Shijiazhuang Xinlian Hongtai (as the vendor)
Zerui Education (as the purchaser)
- Properties to be acquired: A total of 58 office units located at 4/F - 5/F, building no. 2 of Anlian Tianrun Building (安聯天潤大廈), 213 Nanchang Street, Qiaoxi District, Shijiazhuang, Hebei Province, the PRC with a gross floor area of 2,459.7 sq.m.
- Shijiazhuang Xinlian Hongtai has obtained the land use right for the construction of Anlian Tianrun Building.
- Consideration: Approximately RMB29,516,400, being the aggregate sum of purchase prices of the 58 office units.
- Payment of Consideration: RMB10,000 shall be paid upon the signing of each Pre-Sale Contract, RMB580,000 in total for the Pre-Sale Contracts, being the initial deposit and the partial payment towards the consideration.
- The remaining consideration for the Pre-Sale Contracts shall be paid in four installments in the following manner:
- (i) the first installment of RMB5,000,000, of which RMB580,000 shall be offset by the initial deposit paid, shall be paid before 21 June 2023;
 - (ii) the second installment of RMB15,661,480 shall be paid on or before 30 October 2023;
 - (iii) the third installment of RMB7,379,100 shall be paid upon the delivery of the properties by Shijiazhuang Xinlian Hongtai; and
 - (iv) the fourth installment of RMB1,475,820 shall be paid within 5 business days upon the receipt of real estate ownership certificate by Zerui Education.

Delivery of the Properties:	Before 31 May 2024
Delay on the delivery of the Properties:	Save for the force majeure events specified in the Pre-Sale Contracts: <ul style="list-style-type: none"> (i) for delay within 60 days, Shijiazhuang Xinlian Hongtai shall pay an amount equivalent to 0.001% of the consideration pursuant to the Pre-Sale Contract as penalty for each day of the late delivery until the actual delivery of the property. (ii) for delay of more than 60 days, Shijiazhuang Xinlian Hongtai shall pay an amount equivalent to 0.001% of the consideration pursuant to the Pre-Sale Contract as penalty for each day (the aggregate penalty should be no more than 1% of the consideration pursuant to the Pre-Sale Contract) of the late delivery until the actual delivery of the property.

As at the date of the Pre-Sale Contracts, Anlian Tianrun Building has been approximately 60% completed. The consideration of the Acquisition was determined after arm's length negotiations with reference to the valuation of the 58 office units as at 19 June 2023 of approximately RMB29,685,600, average unit price was RMB12,069/sq.m., appraised by Hebei Jiaze Real Estate Asset Appraisal Co., Ltd.* (河北嘉澤房地產資產評估有限公司), an independent valuer, based on comparison approach by making reference to comparable transactions of Anlian Tianrun Building given that Anlian Tianrun Building has commenced pre-sale of its office units and the information of previous transactions can be easily obtained. The consideration of the Acquisition is expected to be financed by the Group's internal resources.

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Group is currently renting its office in Shijiazhuang, Hebei Province, the PRC and will relocate its management employees in Shijiazhuang, Hebei Province, the PRC to the office units acquired to improve the Group's operational efficiency while minimising the risks relating to renting properties for office usage, such as (i) the risk of relocation arising from the expiry or termination of the relevant lease agreements, and the possibility that the Group may not be able to obtain leases with comparable and/or commercially acceptable terms and conditions; (ii) the renovation expenses and time costs to be incurred by the Group as a result of the relocation; and (iii) the rental costs for leasing other properties.

The Board considers that the Acquisition is on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group and Zerui Education

The Group is primarily serving a wide range of students from preschool students in its kindergartens, high school students enrolled in its high school, as well as junior college students, secondary school students and continuing education students in its college. The above transaction will not bring significant impact on the financial position and operating results of the Company.

Zerui Education is an investment holding company with limited liability established under the laws of the PRC on 12 July 2017, is one of the PRC Operating Entities and controlled by the Company through Contractual Arrangements.

Shijiazhuang Xinlian Hongtai

Shijiazhuang Xinlian Hongtai was a limited liability company established in the PRC on 13 June 2017, and is principally engaged in the provision of real estate information consulting and rental services.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Shijiazhuang Xinlian Hongtai is owned as to 70% by Baozheng Yonghe Holding Co, Ltd.* (保正永和控股有限公司) (“**Baozheng Yonghe**”) and 30% by Hebei Shengqi Enterprise Management Consulting Co., Ltd.* (河北晟啟企業管理諮詢有限公司) (“**Hebei Shengqi**”). Baozheng Yonghe is owned as to 95% by Mr. Zhao Guodong (趙國東先生) and 5% by Ms. Luo Qing (駱晴女士). Hebei Shengqi is owned as to 51% by Mr. Li Yafei (李亞飛先生) and 49% by Mr. Zhang Yi (張毅先生). Each of Shijiazhuang Xinlian Hongtai, Baozheng Yonghe and Hebei Shengqi and its respective ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of 58 office units located at 4/F - 5/F, building no. 2, of Anlian Tianrun Building (安聯天潤大廈), 213 Nanchang Street, Qiaoxi District, Shijiazhuang, Hebei Province, the PRC with a gross floor area of 2,459.7 sq.m. pursuant to the Pre-Sale Contracts;
“Board”	the board of Directors of the Company;
“Company”	China 21st Century Education Group Limited (中國21世紀教育集團有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contractual Arrangements”	the series of contractual arrangements entered into between, among others, the wholly foreign owned enterprise and the PRC Operating Entities, details of which are described in the section headed “Structured Contracts” in the Prospectus;
“Director(s)”	the director(s) of the Company;
“Group”	the Company, its subsidiaries and the PRC Operating Entities from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

“PRC Operating Entities”	Zerui Education, Shijiazhuang Institute of Technology* (石家莊理工職業學院), Hebei Saintach Education and Technology Co., Ltd.*(河北新天際教育科技有限公司), Shijiazhuang Saintach Education and Technology Co., Ltd.* (石家莊新天際教育科技有限公司), Saintach Kindergarten(s), Hangzhou Yimai Enterprise Management Consulting Co., Ltd.* (杭州一脈學鼎教育科技有限公司), Zhejiang Peijian Technology Co., Ltd.* (浙江培尖科技有限公司) and Shijiazhuang Yuying Experimental High School* (石家莊育英實驗中學);
“Pre-Sale Contract(s)”	each of the pre-sale contracts dated 20 June 2023 and entered into between Zerui Education and Shijiazhuang Xinlian Hongtai in relation to the Acquisition;
“Prospectus”	the prospectus issued by the Company on the initial public offering and listing dated 15 May 2018;
“RMB”	Renminbi, the lawful currency of the PRC;
“Saintach Kindergarten(s)”	Shijiazhuang Qiaoxi District Blue Crystal Saintach Kindergarten* (石家莊市橋西區新天際藍水晶幼兒園), Shijiazhuang Luquan District Fukang Saintach Kindergarten* (石家莊市鹿泉區新天際福康幼兒園), Shijiazhuang Chang’an District Jianhua Saintach Kindergarten* (石家莊市長安區新天際建華幼兒園), Shijiazhuang Qiaoxi District Lidu Saintach Kindergarten* (石家莊市橋西區新天際麗都幼兒園), Shijiazhuang High-tech Industrial Development Zone Tianshan Saintach Kindergarten* (石家莊高新技術產業開發區新天際天山幼兒園), Shijiazhuang Chang’an District Qinghui Saintach Kindergarten* (石家莊市長安區新天際清暉幼兒園), Zhengding County Saintach Kindergarten* (正定縣新天際幼兒園) and Zhengding County Fumenli Saintach Kindergarten* (正定縣新天際福門里幼兒園), which are the PRC Operating Entities;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shijiazhuang Institute of Technology”	Shijiazhuang Institute of Technology* (石家莊理工職業學院), a junior college established under the laws of the PRC on 1 July 2003 of which school sponsors’ interest are wholly-owned by Zerui Education as of the date of this announcement, and one of the PRC Operating Entities;

“Shijiazhuang Xinlian Hongtai”	Shijiazhuang Xinlian Hongtai Real Estate Development Co., Ltd.* (石家莊新聯鴻泰房地產開發有限公司), a company established under the laws of the PRC with limited liability on 13 June 2017;
“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning given to it under the Listing Rules;
“Zerui Education”	Hebei Zerui Education Technology Co., Ltd.* (河北澤瑞教育科技有限責任公司), a company established under the laws of the PRC with limited liability on 12 July 2017, an indirect wholly-owned subsidiary controlled by the Company through Contractual Arrangements; and
“%”	per cent.

* *for identification purposes only*

By order of the Board
China 21st Century Education Group Limited
Li Yunong
Chairman

Hong Kong, 20 June 2023

As at the date of this announcement, the executive Directors are Mr. Li Yunong, Ms. Liu Hongwei, Mr. Ren Caiyin, Ms. Yang Li and Mr. Li Yasheng; and the independent non-executive Directors are Mr. Guo Litian, Mr. Yao Zhijun and Mr. Wan Joseph Jason.