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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China 21st Century Education Group Limited, you should at once hand this circular to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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21世紀教育
21ST CENTURY EDUCATION

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)

**MAJOR TRANSACTIONS IN RELATION TO
(I) GENERAL CONSTRUCTION CONTRACT FOR COMPREHENSIVE
TEACHING BUILDINGS; AND
(II) GENERAL CONSTRUCTION CONTRACT FOR CANTEENS AND
DORMITORY BUILDINGS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, all capitalised terms used in this circular shall have the meanings as set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 5 to 13 of this circular.

A notice convening the Extraordinary General Meeting to be held at 15/F, South Tower, Zhonghai Plaza, 8 Guanghua Dongli, Chaoyang District, Beijing, the PRC on Monday, 11 March 2024 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk).

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (i.e. by 10:00 a.m. on Saturday, 9 March 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the form of proxy shall be deemed to be revoked.

22 February 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

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| “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 issued by the Company on the initial public offering and listing dated 15 May 2018; |
| “controlling shareholder(s)” | has the meaning given to it under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Extraordinary General Meeting” | the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the upward adjustment to the General Construction Contract for Comprehensive teaching Buildings and the upward adjustment to the General Construction Contract for Canteens and Dormitory Buildings; |
| “General Construction Contract for Canteens and Ancillary Buildings” | the General Construction Contract for Canteens and Ancillary Buildings dated 8 August 2022 entered into between Shijiazhuang Zerui and Hebei Chizheng with respect to the earthwork, foundation treatment, retention and protection of foundation excavation, and civil engineering, decoration and installation projects within the scope of the construction drawings of the canteens and ancillary buildings of Shijiazhuang Institute of Technology (New Campus) Phase II at a total consideration of RMB29,880,000; |
| “General Construction Contract for Canteens and Dormitory Buildings” | the General Construction Contract for Canteens and Dormitory Buildings dated 24 March 2022 entered into between Shijiazhuang Zerui and Hebei Chizheng with respect to the earthwork, foundation treatment, retention and protection of foundation excavation, and civil engineering, decoration and installation projects within the scope of the construction drawings of the canteens and dormitory buildings of Shijiazhuang Institute of Technology (New Campus) Phase I at a total consideration of RMB60,000,000; |

DEFINITIONS

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| “General Construction Contract for Comprehensive Teaching Buildings” | the General Construction Contract for Comprehensive Teaching Buildings dated 24 March 2022 entered into between Shijiazhuang Zerui and Shijiazhuang Construction with respect to the earthwork, stonework, foundation treatment, support and protection of foundation excavation, and civil engineering, decoration, and installation projects within the scope of the construction drawings of the comprehensive teaching buildings of Shijiazhuang Institute of Technology (New Campus) Phase I at a total consideration of RMB90,000,000; |
| “Group” | the Company, its subsidiaries and the PRC Operating Entities from time to time; |
| “Hebei Chizheng” | Hebei Chizheng Construction Engineering Co., Ltd.* (河北弛正建築工程有限公司), a company established under the laws of the PRC with limited liability on 17 March 2021; |
| “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; |
| “Latest Practicable Date” | 19 February 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained therein; |
| “Lionful Education” | Hebei Lionful Education Technology Co., Ltd* (河北廿一世紀教育科技有限公司) (formerly known as Hebei Lionful Education Investment Co., Ltd* (河北廿一世紀教育投資有限公司)), a limited liability company established under the laws of the PRC on 2 November 2000, which is wholly-owned by Hebei Xueyoufang Education Technology Co., Ltd.* (河北學有方教育科技有限公司), a limited liability company established under the laws of the PRC on 4 August 2016 and owned as to approximately 95% by Beijing New Youth Culture Media Co., Ltd.* (北京新青年時代文化傳媒有限公司) and 5% by Mr. Li as at the Latest Practicable Date; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time; |
| “Mr. Li” | Mr. Li Yunong (李雨濃), a controlling shareholder of the Company; |

DEFINITIONS

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| “PRC” | the People’s Republic of China which, for the purpose of this circular, 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), Shijiazhuang Yuying Experimental High School* (石家莊育英實驗中學), Shijiazhuang Zerui, 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.* (杭州一脈企業管理諮詢有限責任公司) and Zhejiang Peijian Technology Co., Ltd.* (浙江培尖科技有限公司); |
| “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 Company’s PRC Operating Entities; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time; |
| “Share(s)” | ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company; |
| “Share Award Plan” | the share award plan adopted by the Company on 14 October 2020; |
| “Share Option Scheme” | the share option scheme adopted by the Company on 4 May 2018; |
| “Shareholder(s)” | holder(s) of the Share(s); |

DEFINITIONS

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| “Shijiazhuang Construction” | Shijiazhuang Construction Group Co., Ltd.* (石家莊建設集團有限公司), a company established under the laws of the PRC with limited liability on 30 August 2000; |
| “Shijiazhuang Institute of Technology” | Shijiazhuang Institute of Technology* (石家莊理工職業學院), a full-time regular higher school established under the laws of the PRC on 1 July 2003 of which school sponsors’ interest was wholly-owned by Zerui Education as at the date of this circular, and one of the Company’s PRC Operating Entities; |
| “Shijiazhuang Zerui Commercial Development” | Shijiazhuang Zerui Commercial Development Co., Ltd.* (石家莊澤瑞商業發展有限公司), a company established under the laws of the PRC with limited liability on 14 July 2022, which is wholly-owned by Zerui Education; |
| “Shijiazhuang Zerui” | Shijiazhuang Zerui Education and Technology Co., Ltd.* (石家莊澤瑞教育科技有限公司), a company established under the laws of the PRC with limited liability on 2 July 2021, which is wholly-owned by Zerui Education as at the date of this circular, and one of the Company’s PRC Operating Entities; |
| “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 limited liability company established under the laws of the PRC on 12 July 2017, which was owned as to 80.625% by Mr. Li and 19.375% by Ms. Luo Xinlan as at the date of this circular, and one of the Company’s PRC Operating Entities; and |
| “%” | per cent. |

* for identification purposes only

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese or another language which are marked with “” and the Chinese translation of company or entity names in English which are marked with “*” is for identification purpose only.*

LETTER FROM THE BOARD



21世紀教育
21ST CENTURY EDUCATION

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)

Non-executive Director:

Mr. Li Yasheng (*Chairman*)

Executive Directors:

Ms. Liu Hongwei

Mr. Ren Caiyin

Ms. Yang Li

Independent Non-Executive Directors:

Mr. Guo Litian

Mr. Yao Zhijun

Mr. Wan Joseph Jason

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Corporate headquarters:

15/F, South Tower

Zhonghai Plaza

8 Guanghua Dongli

Chaoyang District

Beijing, the PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

22 February 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS IN RELATION TO
(I) GENERAL CONSTRUCTION CONTRACT FOR COMPREHENSIVE
TEACHING BUILDINGS; AND
(II) GENERAL CONSTRUCTION CONTRACT FOR CANTEENS AND
DORMITORY BUILDINGS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

BACKGROUND

(I) General construction contract for comprehensive teaching buildings

Reference is made to the announcement of the Company dated 24 March 2022 in relation to, among others, the discloseable transaction contemplated under the General Construction Contract for Comprehensive Teaching Buildings of Shijiazhuang Institute of Technology (New Campus) Phase I entered into between Shijiazhuang Zerui and Shijiazhuang Construction for a consideration of RMB90,000,000.

References are made to the announcement of the Company dated 6 September and 25 September 2023 in relation to the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings by RMB10,164,099.84 on 6 September 2023 (after trading hours) pursuant to the General Construction Contract for Comprehensive Teaching Buildings, due to the change of construction plan and the incurrence of additional raw materials, machinery usage fee and labour cost, etc..

The principal terms of the General Construction Contract for Comprehensive Teaching Buildings are set out as follows:

| | |
|---------------------|--|
| Date: | 24 March 2022 |
| Parties: | (i) Shijiazhuang Zerui (ii) Shijiazhuang Construction |
| Project: | Comprehensive Teaching Buildings of Shijiazhuang Institute of Technology (New Campus) Phase I |
| Construction Scope: | Earthwork, stonework, foundation treatment, support and protection of foundation excavation, and civil engineering, decoration, and installation projects within the scope of the construction drawings of the Comprehensive Teaching Buildings of Shijiazhuang Institute of Technology (New Campus) Phase I |
| Contract period: | 400 calendar days |
| Contract price: | RMB90,000,000. The contract price is financed by the Group's internal resources and bank borrowings. |

LETTER FROM THE BOARD

Price: The contract price is the tender price offered by Shijiazhuang Construction in the public bidding (subject to upper fluctuation of 7% as per the quota and standard price of Hebei Province of the PRC in 2012), which is accepted upon comprehensive evaluation by the bid evaluation committee in accordance with relevant rules and regulations of the PRC. When selecting the bid winner, the bid evaluation committee gives consideration to a package of factors, including the tender price, construction organization design and qualification of the tenderer.

Term of payment: The contract price shall be paid in following manner:

- (1) 15% of the contract price shall be paid within 15 working days after the contract is signed, which can only be used as the expenses for purchase of construction materials and safe and civilised construction;
- (2) Payment at 75% of the completion output based on monthly visual progress;
- (3) 85% of the output shall be paid when delivered for use;
- (4) 97% of the settlement amount shall be paid within one month upon the project settlement; and
- (5) The remaining 3% shall be used as the quality guarantee deposit of the project. 50% of the quality guarantee deposit shall be paid after one year's quality guarantee period and all the remaining deposit shall be paid after two years' quality guarantee period.

The construction of comprehensive teaching buildings pursuant to the General Construction Contract for Comprehensive Teaching Buildings completed on 27 June 2023. Upon delivery and inspection of the comprehensive teaching buildings, Shijiazhuang Zerui and Shijiazhuang Construction agreed in writing by way of supplemental agreement to adjust the provisional contract price of RMB90,000,000 pursuant to the General Construction Contract for Comprehensive Teaching Buildings by RMB10,164,099.84. 97% of the upward adjustment of RMB10,164,099.84 shall be payable within one month upon the project settlement, conditional upon the Shareholders having approved the adjustment. The remaining 3% shall be used as the quality guarantee deposit of the project.

LETTER FROM THE BOARD

(II) General construction contract for canteens and dormitory buildings

Reference is made to the announcement of the Company dated 24 March 2022 in relation to, among others, the discloseable transaction contemplated under the General Construction Contract for Canteens and Dormitory Buildings of Shijiazhuang Institute of Technology (New Campus) Phase I entered into between Shijiazhuang Zerui and Hebei Chizheng for a consideration of RMB60,000,000. Reference is also made to the announcement of the Company dated 8 August 2022 in relation to, among others, the discloseable transaction contemplated under the General Construction Contract for Canteens and Ancillary Buildings of Shijiazhuang Institute of Technology (New Campus) Phase II for a consideration of RMB29,880,000.

References are made to the announcement of the Company dated 6 September and 25 September 2023 in relation to the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings by RMB7,263,520.72 on 6 September 2023 (after trading hours) pursuant to the General Construction Contract for Canteens and Dormitory Buildings, due to the change of construction plan and the incurrence of additional raw materials, machinery usage fee and labour cost, etc..

The principal terms of the General Construction Contract for Canteens and Dormitory Buildings are set out as follows:

| | |
|---------------------|--|
| Date: | 24 March 2022 |
| Parties: | (i) Shijiazhuang Zerui (ii) Hebei Chizheng |
| Project: | Canteens and Dormitory Buildings of Shijiazhuang Institute of Technology (New Campus) Phase I |
| Construction Scope: | Earthwork, foundation treatment, retention and protection of foundation excavation, and civil engineering, decoration and installation projects within the scope of the construction drawings of the Canteens and Dormitory Buildings of Shijiazhuang Institute of Technology (New Campus) Phase I |
| Contract period: | 400 calendar days |
| Contract price: | RMB60,000,000. The contract price is financed by the Group's internal resources and bank borrowings. |

LETTER FROM THE BOARD

Price: The contract price is the tender price offered by Hebei Chizheng in the public bidding (subject to upper fluctuation of 6% as per the quota and standard price of Hebei Province of the PRC in 2012), which is accepted upon comprehensive evaluation by the bid evaluation committee in accordance with relevant rules and regulations of the PRC. When selecting the bid winner, the bid evaluation committee gives consideration to a package of factors, including the tender price, construction organization design and qualification of the tenderer.

Term of payment: The contract price shall be paid in following manner:

- (1) 15% of the contract price shall be paid within 15 working days after the contract is signed, which can only be used as the expenses for purchase of construction materials and safe and civilised construction;
- (2) Payment at 75% of the completion output based on monthly visual progress;
- (3) 85% of the output shall be paid when delivered for use;
- (4) 97% of the settlement amount shall be paid within one month upon the project acceptance and settlement; and
- (5) The remaining 3% shall be used as the quality guarantee deposit of the project. 50% of the quality guarantee deposit shall be paid after one year's quality guarantee period and all the remaining deposit shall be paid after two years' quality guarantee period.

The construction of canteens and dormitory buildings pursuant to the General Construction Contract for Canteens and Dormitory Buildings completed on 27 June 2023. Upon delivery and inspection of the canteens and dormitory buildings, Shijiazhuang Zerui and Hebei Chizheng agreed in writing by way of supplemental agreement to adjust the provisional contract price of RMB60,000,000 pursuant to the General Construction Contract for Canteens and Dormitory Buildings by RMB7,263,520.72. 97% of the upward adjustment of RMB7,263,520.72 shall be payable within one month upon the project settlement, conditional upon the Shareholders having approved the adjustment. The remaining 3% shall be used as the quality guarantee deposit of the project.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE UPWARD ADJUSTMENT TO THE CONSIDERATION OF GENERAL CONSTRUCTION CONTRACT FOR COMPREHENSIVE TEACHING BUILDINGS AND THE UPWARD ADJUSTMENT TO THE CONSIDERATION OF GENERAL CONSTRUCTION CONTRACT FOR CANTEENS AND DORMITORY BUILDINGS

As the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings and the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings are expected to be financed by the Groups' internal resources, the property, plant and equipment of the Group will increase by approximately RMB17,427,620.56 and the cash and cash equivalents of the Group will decrease by approximately RMB17,427,620.56 accordingly. In order to maintain sufficient cash for its operation, the Group will obtain bank loans, where necessary, for its operation.

REASONS FOR AND BENEFITS OF ENTERING INTO THE GENERAL CONSTRUCTION CONTRACT FOR COMPREHENSIVE TEACHING BUILDINGS AND THE GENERAL CONSTRUCTION CONTRACT FOR CANTEENS AND DORMITORY BUILDINGS

The Group currently focuses on the Shijiazhuang Institute of Technology (New Campus) project. The new campus will expand the student capacity of Shijiazhuang Institute of Technology and help the Group to obtain more recruitment quota in the short term, further enlarge the teaching scale of the Group's vocational education and enhance the level and quality of education.

References are made to the announcements dated 7 March 2022, 28 April 2022, 21 June 2022 and 23 June 2022 and the circular dated 26 June 2022 of the Company in respect of the acquisitions of land use rights for the development of the new campus of the Shijiazhuang Institute of Technology. During the period from March to August 2022, the Group successfully bid the land use rights in Gaoyi County, Shijiazhuang City through public tender process and acquired a total of 279,577.48 sq.m. of educational land and 46,269.12 sq.m. of commercial land.

The Group considers that entering into the General Construction Contract for Comprehensive Teaching Buildings and the General Construction Contract for Canteens and Dormitory Buildings and the upward adjustment of RMB10,164,099.84 and RMB7,263,520.72 pursuant to the General Construction Contract for Comprehensive Teaching Buildings and the General Construction Contract for Canteens and Dormitory Buildings due to the change and amendment of construction plan and the incurrence of additional raw materials (such as exterior wall coating, fixtures and tiles) as a result of the change in construction plan, machinery usage fee and labour cost, etc. are of vital importance to the construction of new campus of Shijiazhuang Institute of Technology. The Directors are of the view that the terms of the General Construction Contract for Comprehensive Teaching Buildings and the General Construction Contract for Canteens and Dormitory Buildings are on normal commercial terms, are fair and reasonable and the entering into of the General Construction Contract for Comprehensive Teaching Buildings and the General Construction Contract for Canteens and Dormitory Buildings are in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION OF THE PARTIES

The Group and Shijiazhuang Zerui

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 colleges.

Shijiazhuang Zerui is a company established under the laws of the PRC with limited liability on 2 July 2021, which is wholly-owned by Zerui Education. Shijiazhuang Zerui is mainly responsible for construction, operation management and business operation of teaching infrastructures. Zerui Education is an investment holding company with limited liability established under the laws of the PRC on 12 July 2017, which is an indirect wholly-owned subsidiary controlled by the Company through Contractual Arrangements.

Shijiazhuang Construction

Shijiazhuang Construction is established under the laws of the PRC with limited liability on 30 August 2000. The primary businesses of Shijiazhuang Construction include construction engineering, construction and decoration engineering, land consolidation and development. Based on the public information available, as at the date of this circular, Shijiazhuang Construction is owned by Shijiazhuang Hongyu Construction Technology Co., Ltd.* (石家莊泓昱建築科技有限公司), the labour union committee of Shijiazhuang Construction, Mr. Wang Pengxun (王朋勳先生), Mr. Lang Shulin (郎樹林先生), Mr. Wang Genzhu (王根柱先生), Ms. Li Zhanjun (李占軍先生), Mr. Xia Shenglai (夏生來先生), Mr. Wang Zengfu (王增福先生), and Mr. Li Kaozhong (李考中先生) as to approximately 73.0773%, 19.9048%, 2.6364%, 1.8182%, 0.9091%, 0.5091%, 0.409%, 0.409% and 0.3272%, respectively. To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, Shijiazhuang Construction and its ultimate beneficial owners are Independent Third Parties.

Hebei Chizheng

Hebei Chizheng is established under the laws of the PRC with limited liability on 17 March 2021. The primary businesses of Hebei Chizheng include construction engineering, interior and exterior decoration engineering, and design and construction of ground and foundation engineering. Based on the public information available, as at the date of this circular, Hebei Chizheng is owned as to 90% by Mr. Li Yafei (李亞飛先生) and 10% by Ms. Guo Yunxia (郭運霞女士). To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, Hebei Chizheng and its ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

As the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings was made pursuant to the General Construction Contract for Comprehensive Teaching Buildings, according to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions.

LETTER FROM THE BOARD

As one of the applicable percentage ratios for the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings, when aggregated with the General Construction Contract for Comprehensive Teaching Buildings, exceeds 25% but all are less than 100%, the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings was made pursuant to the General Construction Contract for Canteens and Dormitory Buildings, and the General Construction Contract for Canteens and Dormitory Buildings and the General Construction Contract for Canteens and Ancillary Buildings were related to the construction of the Shijiazhuang Institute of Technology (New Campus) project, according to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions.

As one of the applicable percentage ratios for the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings, when aggregated with the General Construction Contract for Canteens and Dormitory Buildings and the General Construction Contract for Canteens and Ancillary Buildings, exceeds 25% but all are less than 100%, the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages EGM-1 to EGM-3 of this circular. Pursuant to the Listing Rules, the votes of the Shareholders on the proposed ordinary resolutions approving the General Construction for Comprehensive Teaching Buildings and the General Construction Contract for Canteens and Dormitory Buildings will be taken by way of poll at the Extraordinary General Meeting and an announcement on the poll results will be made by the Company after the Extraordinary General Meeting.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.21centuryedu.com).

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 7 March 2024 to Monday, 11 March 2024 (both dates inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the

LETTER FROM THE BOARD

Extraordinary General Meeting, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 March 2024.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder has a material interest in the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings and the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings, and thus no Shareholder would be required to abstain from voting at a general meeting if such a general meeting were to be convened.

RECOMMENDATIONS

The Directors believe that the upward adjustment to the consideration of the General Construction Contract for Comprehensive Teaching Buildings and the upward adjustment to the consideration of the General Construction Contract for Canteens and Dormitory Buildings are on normal and commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
China 21st Century Education Group Limited
Li Yasheng
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the financial years ended 31 December 2020, 2021 and 2022 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.21centuryedu.com>):

- Annual report of the Company for the year ended 31 December 2020 (pages 126 to 231): <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043000937.pdf>
- Annual report of the Company for the year ended 31 December 2021 (pages 125 to 207): <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042801096.pdf>
- Annual report of the Company for the year ended 31 December 2022 (pages 121 to 208): <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702823.pdf>
- Interim report of the Company for the six months ended 30 June 2023 (pages 31 to 55): <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0928/2023092800721.pdf>

2. INDEBTEDNESS STATEMENT

At the close of business on 31 December 2023, being the latest practicable date for the purpose of this indebtedness statement, the indebtedness of the Group was as follows:

As at the close of business on 31 December 2023, the Group had bank and other borrowings of approximately RMB877.2 million, which include:

- (i) unsecured and unguaranteed bank and other borrowings of approximately RMB46.3 million;
- (ii) secured and unguaranteed bank and other borrowings of approximately RMB59.9 million, which were secured by bank deposits and a director's life insurance policy;
- (iii) unsecured and guaranteed bank and other borrowings of approximately RMB386.0 million, of which personal guarantee is provided by a former director of the Company and his spouse, and corporate guarantee provided by certain subsidiaries and an independent third party; and
- (iv) secured and guaranteed bank and other borrowings of approximately RMB385.0 million, which are secured by certain of the Group's fixed deposits, right-of-use assets, buildings and charging right of Shijiazhuang Institute of Technology, a subsidiary of the Group, and personal guarantee provided by a former director of the Company and corporate guarantee provided by certain subsidiaries of the Company.

As at the close of business on 31 December 2023, lease liabilities of the Group amounted to approximately RMB76.2 million.

Commitments

As at the close of business on 31 December 2023, the Group's capital commitments to make contracted payments amounted to RMB13.6 million.

Contingent liabilities

As at 31 December 2023, the Group did not incur any material contingent liabilities.

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Group did not have any outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on 31 December 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular.

Save as aforesaid, the Directors are not aware of any material changes in the indebtedness, contingent liabilities and commitments of the Group since 31 December 2023, the date to which the indebtedness statement is made and up to the Latest Practicable Date.

3. WORKING CAPITAL SUFFICIENCY

After due and careful consideration, the Directors are of the opinion that, taking into account (i) the additional financial resources available to the Group including the available banking facilities and the successful refinancing of certain existing bank and other borrowings upon maturity; (ii) the internally generated funds from operation of the Group; (iii) the internal funds; and (iv) the prudent approach of the Company's management team to ensure the pace of its expansion plans will not have an adverse impact on the Company's capital and expenditure, the Group has sufficient working capital for its requirements for at least 12 months from the date of this circular, in the absence of unforeseen circumstances.

The Board has also received a working capital sufficiency comfort letter under Rule 14.66(12) of the Listing Rules from the auditor.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated accounts of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As a large well-established private education service provider based in the Beijing-Tianjin-Hebei region, the Group focuses on the integration of quality education resources to establish our presence in diversified education industry pattern, and expand from vocational education services to industry-education integration services, with an aim at growing into a full-cycle professional talent service

provider covering from “Education” to “Employment”. At the same time, we provide customers with more friendly and convenient education services and promote the balanced development of our society. Since the establishment of its first school in 2003, the Group has made notable achievements over the past 20 years to become a comprehensive education group focusing on the development of new vocational education. The Group’s business covers vocational education, continuing education, high school education and preschool education, with healthy and diversified revenue streams and a broadly covered customer base. Since the Company’s listing in May 2018, the Group’s full-time student enrollment has expanded by 81.3%, and the number of its physical schools has increased from 5 to 11.

The Group believes that the entering into the General Construction Contract for Comprehensive Teaching Buildings and the General Construction Contract for Canteens and Dormitory Buildings will be in line with the Group’s aforesaid business strategies. The new campus of Shijiazhuang Institute of Technology will be constructed in the future as a new type of vocational and technical college with landmark attributes and features of industry-education integration, and its student capacity is expected to be approximately 30,000 students. The project of new campus was included in the List of Key Construction Projects in Hebei Province in 2022 (《河北省2022年省重點建設項目名單》) and obtained government subsidies. The new campus will expand the overall student capacity of Shijiazhuang Institute of Technology, and help to obtain more recruitment quota within a short term, thereby further enlarging the teaching scale of the Group’s vocational education and enhancing the level and quality of education. It will lay more foundation for Shijiazhuang Institute of Technology to get fully prepared for upgrading to undergraduate vocational university. It has played a positive role in promoting the Group’s layout of the pan-vocational education industry ecology. In the future, the Group will take Shijiazhuang Institute of Technology as the foundation, adhere to the dual-wheel mode of “internal construction + external mergers and acquisitions” for driving the business development of the Group, deepen the development of industry-education integration, expand the products of continuing education, and carry out vocational training and extend to lifelong education, so as to eventually become a comprehensive service provider of new vocational education.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

| Director | Nature of interest | Number of Shares ⁽⁵⁾ | Approximate percentage of shareholding ⁽⁶⁾ |
|--------------------------------|--------------------------------------|---------------------------------|---|
| Mr. Li Yasheng ⁽¹⁾ | Beneficial owner | 633,000(L) | 0.05% |
| | Beneficial owner | 287,100(L) | 0.02% |
| | Interest in a controlled corporation | 92,736,000(L) | 7.99% |
| Ms. Liu Hongwei ⁽²⁾ | Beneficial owner | 2,061,000(L) | 0.18% |
| | Beneficial owner | 636,000(L) | 0.05% |
| Mr. Ren Caiyin ⁽³⁾ | Beneficial owner | 951,000(L) | 0.08% |
| | Beneficial owner | 863,400(L) | 0.07% |
| Ms. Yang Li ⁽⁴⁾ | Beneficial owner | 951,000(L) | 0.08% |
| | Beneficial owner | 425,700(L) | 0.04% |

Notes:

- (1) On 5 November 2020, 633,000 share options, representing 633,000 underlying Shares were granted to Mr. Li Yasheng under the Share Option Scheme. On 29 December 2020, 987,000 award shares were granted to Mr. Li Yasheng pursuant to the Share Award Plan, of which (i) 296,100 award shares had vested on 29 December 2021 and 9,000 Shares were sold on the market by the trustee to settle the tax obligation of Mr. Li Yasheng; (ii) 296,100 award shares had lapsed on 29 December 2022 as they were not exercised; and (iii) 394,800 award shares had lapsed on 29 December 2023 as they were not exercised. Further, Mr. Li Yasheng is the sole shareholder of Sainray Limited and he is therefore deemed to be interested in the Shares held by Sainray Limited by virtue of the SFO, being 92,736,000 Shares.
- (2) On 5 November 2020, 2,061,000 share options, representing 2,061,000 underlying Shares were granted to Ms. Liu Hongwei under the Share Option Scheme. On 29 December 2020, 2,220,000 award shares were granted to Ms. Liu Hongwei pursuant to the Share Award Plan, of which (i) 666,000 award shares had vested on 29 December 2021 and 30,000 Shares were sold on the market by the trustee to settle the tax obligation of Ms. Liu; (ii) 666,000 award shares had lapsed on 29 December 2022 as they were not exercised; and (iii) 888,000 award shares had lapsed on 29 December 2023 as they were not exercised.
- (3) On 5 November 2020, 951,000 share options, representing 951,000 underlying Shares were granted to Mr. Ren Caiyin under the Share Option Scheme. On 29 December 2020, 1,479,000 award shares were granted to Mr. Ren Caiyin pursuant to the Share Award Plan, of which (i) 443,700 award shares had vested on 29 December 2021 and 18,000 Shares were sold on the market by the trustee to settle the tax obligation of Mr. Ren; (ii) 443,700 award shares had vested on 29 December 2022 and 6,000 Shares were sold on the market by the trustee to settle the tax obligation of Mr. Ren; and (iii) 591,600 award shares had lapsed on 29 December 2023 as they were not exercised.
- (4) On 5 November 2020, 951,000 share options, representing 951,000 underlying Shares were granted to Ms. Yang Li under the Share Option Scheme. On 29 December 2020, 1,479,000 award shares were granted to Ms. Yang Li pursuant to the Share Award Plan, of which (i) 443,700 award shares had vested on 29 December 2021 and 18,000 Shares were sold on the market by the trustee to settle the tax obligation of Ms. Yang; (ii) 443,700 award shares had lapsed on 29 December 2022 as they were not exercised; and (iii) 591,600 award shares had lapsed on 29 December 2023 as they were not exercised.
- (5) The letter (L) denotes a long position in such securities.
- (6) As at the Latest Practicable Date, the number of the issued shares of the Company was 1,161,204,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) **Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares of the Company**

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than Directors and chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO and are recorded in the register kept by the Company under Section 336 of the SFO:

| Name | Nature of interest | Number of Shares ⁽³⁾ | Approximate percentage of shareholding ⁽⁴⁾ |
|---|---|---------------------------------|---|
| Mr. Li ⁽¹⁾ | Founder of a discretionary trust who can influence how the trustee exercise on his discretion | 754,590,000(L) | 64.98% |
| | Beneficial owner | 1,902,000(L) | 0.16% |
| | Beneficial owner | 636,000(L) | 0.05% |
| Ms. Cao Yang ⁽²⁾ | Spouse interest | 757,128,000(L) | 65.20% |
| Sainange Holdings | Beneficial owner | 754,590,000(L) | 64.98% |
| Leonus Holdings Limited ⁽³⁾ | Interest in a controlled corporation | 754,590,000(L) | 64.98% |
| HSBC International Trustee Limited ⁽³⁾ | Trustee | 754,590,000(L) | 64.98% |
| Sainray Limited | Beneficial owner | 92,736,000(L) | 7.99% |

Notes:

- (1) On 16 January 2020, the Company was informed by Mr. Li that he had transferred his 100% shareholding in Sainange Holdings to Leonus Holdings Limited (“**Leonus**”) for family wealth and succession planning purposes. After the shareholding transfer, the family trust to established by Mr. Li indirectly, through Leonus, holds 754,590,000 Shares held by Sainange Holdings. Mr. Li was therefore deemed to be interested in the Shares held by Sainange Holdings by virtue of the SFO, being 754,590,000 Shares. On 5 November 2020, 1,902,000 share options, representing 1,902,000 underlying Shares, were granted to Mr. Li pursuant to the Share Option Scheme. On 29 December 2020, 2,220,000 award shares were granted to Mr. Li pursuant to the Share Award Plan, subject to the vesting conditions under the grant, of which (i) 666,000 award shares had vested on 29 December 2021 and 30,000 Shares were sold on the market by the trustee to settle the tax obligation of Mr. Li; (ii) 666,000 award shares had lapsed on 29 December 2022 as they were not exercised; and (iii) 888,000 award shares had lapsed on 29 December 2023 as they were not exercised.
- (2) Ms. Cao Yang is the spouse of Mr. Li and she is therefore deemed to be interested in the Shares in which Mr. Li is interested by virtue of the SFO, being 757,128,000 Shares.
- (3) Mr. Li is the founder of a trust of which HSBC International Trustee Limited is the trustee having control over the entire issued shares of Leonus, which in turn holds the entire issued shares of Sainange Holdings. Each of Mr. Li, HSBC International Trustee Limited and Leonus is deemed to be interested in the 754,590,000 Shares held by Sainange Holdings by virtue of the SFO.

- (4) The letter (L) denotes a long position in such securities.
- (5) As at the Latest Practicable Date, the number of the issued shares of the Company was 1,161,204,000 Shares.

3. INTEREST OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, the Directors were not aware that any of them or any of their respective close associates had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

4. DIRECTORS' INTEREST IN ASSET AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, save as those disclosed in the section headed "Disclosure of Interests" above, and other connected transactions as disclosed in the annual report of the Company for the year ended 31 December 2022, none of the Directors (i) was interested, directly or indirectly, in any assets which, since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the state-owned construction land use rights grant contract dated 7 March 2022 entered into between Shijiazhuang Zerui and Natural Resources and Planning Bureau of Gaoyi County (the "Natural Resources and Planning Bureau of Gaoyi County"), a local government authority under the People's Government of Gaoyi County, Shijiazhuang, Hebei Province, the PRC, in relation to the acquisition of land use rights of a land parcel located at the southeast of

- Wancheng Village* (萬城村), Wancheng Town* (萬城鎮), Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a total area of 74,254.99 sq.m. at a total consideration of RMB56,050,000;
- (b) the General Construction Contract for Comprehensive Teaching Buildings;
 - (c) the General Construction Contract for Canteens and Dormitory Buildings;
 - (d) the state-owned construction land use rights grant contract dated 28 April 2022 entered into between Shijiazhuang Zerui and Natural Resources and Planning Bureau of Gaoyi County in relation to the acquisition of land use rights of a land parcel located at the southeast of Wancheng Village* (萬城村), Wancheng Town* (萬城鎮), Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a total area of 48,564.44 sq.m. at a total consideration of RMB27,900,000;
 - (e) the finance lease agreement dated 7 June 2022 entered into between Sinopharm Holding (China) Finance Leasing Co., Ltd (國藥控股(中國)融資租賃有限公司) (“**Sinopharm Holding**”) (as lessor) and Shijiazhuang Institute of Technology (as lessee) pursuant to which Sinopharm Holding agreed to purchase air-conditioning equipment, solar-power equipment, teaching and learning equipment (such as intelligent blackboard, laboratory equipment, and robotics training sets, etc.) and general office equipment and furniture (such as tables, chairs and bookshelves, etc.) owned by Shijiazhuang Institute of Technology at a consideration of RMB30,000,000 and lease them back to Shijiazhuang Institute of Technology for its ordinary business for a period of 30 months at a total consideration of approximately RMB32,770,000.00;
 - (f) the state-owned construction land use rights grant contract dated 14 July 2022 entered into between Shijiazhuang Zerui and Natural Resources and Planning Bureau of Gaoyi County in relation to the acquisition of land use rights of a land parcel located at Wancheng Village* (萬城村), Wancheng Town* (萬城鎮), Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a total area of 153,502.86 sq.m. at a total consideration of RMB120,750,000;
 - (g) the state-owned construction land use rights grant contract dated 14 July 2022 entered into between Shijiazhuang Zerui and Natural Resources and Planning Bureau of Gaoyi County in relation to the acquisition of land use rights of a land parcel located at Wancheng Village* (萬城村), Wancheng Town* (萬城鎮), Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a total area of 3,255.19 sq.m. at a total consideration of RMB3,070,000;
 - (h) the state-owned construction land use rights grant contract dated 1 August 2022 entered into between Shijiazhuang Zerui Commercial Development and Natural Resources and Planning Bureau of Gaoyi County in relation to the acquisition of land use rights of a land parcel located at Wancheng Village* (萬城村), Wancheng Town* (萬城鎮), Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a total area of 46,269.12 sq.m. at a total consideration of RMB56,080,000;
 - (i) the General Construction Contract for Canteens and Ancillary Building;

- (j) the general construction contract for dormitory buildings dated 8 August 2022 entered into between Shijiazhuang Zerui and Hebei Chaoxing Construction and Installation Engineering Co., Ltd.* (河北朝興建築安裝工程有限公司) with respect to the earthwork, foundation treatment, retention and protection of foundation excavation, and civil engineering, decoration and installation projects within the scope of the construction drawings of the dormitory buildings of Shijiazhuang Institute of Technology (New Campus) Phase II at a total consideration of RMB94,800,000;
- (k) the finance lease agreement dated 25 October 2022 entered into between Haier Finance Leasing Corp., Ltd.* (海爾融資租賃股份有限公司) (“**Haier Finance**”) (as lessor) and Shijiazhuang Institute of Technology (as lessee) pursuant to which Haier Finance agreed to lease air-conditioning equipment, teaching and learning equipment (such as projectors, tablets, laboratory equipment and computers etc.) and general office equipment and furniture (such as tables, chairs and bookshelves, etc.) owned by Shijiazhuang Institute of Technology and being used in its ordinary business for a period of 36 months at a total consideration of RMB22,515,000;
- (l) the construction drawings design contract dated 13 February 2023 entered into between Shijiazhuang Zerui and Hebei Xintianji Construction Design Co., Ltd.* (河北新天際建築設計有限公司) (“**Hebei Xintianji**”) with respect to the provision of construction drawings design services for Shijiazhuang Institute of Technology (New Campus) Phase III at a total consideration of RMB3,170,206;
- (m) the construction drawings design contract dated 13 February 2023 entered into between Shijiazhuang Zerui and Hebei Xintianji with respect to the provision of construction drawings design services for the commercial land project of Shijiazhuang Institute of Technology (New Campus) at a total consideration of RMB2,749,900;
- (n) the general construction contract for outdoor electric laying engineering of Shijiazhuang Institute of Technology (New Campus) Phase I and Phase II dated 6 March 2023 entered into between Shijiazhuang Zerui and Shijiazhuang Chunjin Construction Engineering Co.* (石家莊春錦建設工程有限公司) (“**Shijiazhuang Chunjin**”) at a total consideration of RMB15,190,000;
- (o) the lease agreement dated 25 May 2023 entered into between Shijiazhuang Yuying Experimental High School* (石家莊育英實驗中學) and Shijiazhuang Jigao Education Consultancy Co., Ltd.* (石家莊集高教育諮詢有限公司) with respect to the lease of the underground carpark, five buildings, sports field and the ancillary facilities (total gross floor area is 32,225.03 sq.m. and the total area is 29,007.90 sq.m.) located at No. 239 Minjiang Road, New High-Technology Area, Shijiazhuang, Hebei Province, the PRC for approximately seven years with the rent of RMB12,000,000 (inclusive of ancillary facilities usage fees but excluding hot water and tap water supply) for the period from 2 September 2023 to 1 September 2028, and RMB13,000,000 for the remaining term of the lease agreement;

- (p) the general construction contract for landscape paving engineering of Shijiazhuang Institute of Technology (New Campus) Phase I and Phase II dated 26 May 2023 entered into between Shijiazhuang Zerui and Hebei Yingtuo Construction Engineering Co.* (河北盈拓建築工程有限公司) (“**Hebei Yingtuo**”) at a total consideration of RMB9,400,000;
- (q) the pre-sale contracts dated 20 June 2023 entered into between Zerui Education (as the purchaser) and Shijiazhuang Xinlian Hongtai Real Estate Development Co., Ltd.* (石家莊新聯鴻泰房地產開發有限公司) (as the vendor) with respect to the acquisition of 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. at a total consideration of RMB29,516,400;
- (r) the finance lease agreement dated 9 August 2023 entered into between JC International Finance & Leasing Co., Ltd.(君創國際融資租賃有限公司) (“**JC International**”) (as lessor) and Shijiazhuang Institute of Technology (as lessee) pursuant to which JC International agreed to lease teaching and learning equipment (such as projectors, servers and training rooms, etc.), general office equipment and furniture (such as computers and storage cabinets, etc.) and dormitory furniture owned by Shijiazhuang Institute of Technology and being used in its ordinary business for a period of 30 months at a total consideration of RMB34,340,000;
- (s) the supplemental general construction contract for outdoor electric laying engineering of Shijiazhuang Institute of Technology (New Campus) Phase I and Phase II dated 21 August 2023 entered into between Shijiazhuang Zerui and Shijiazhuang Chunjin at a total consideration of RMB4,820,000;
- (t) the supplemental general construction contract for landscape paving engineering of Shijiazhuang Institute of Technology (New Campus) Phase I and Phase II dated 21 August 2023 entered into between Shijiazhuang Zerui and Hebei Yingtuo at a total consideration of RMB10,700,000;
- (u) the finance lease agreement dated 19 December 2023 entered into between Changjiang United Financial Leasing Co., Ltd. (長江聯合金融租賃有限公司) (the “**Changjiang United**”) (as lessor) and Shijiazhuang Institute of Technology (as lessee) pursuant to which Changjiang United agreed to lease teaching and learning equipment (such as smart desks, interactive touch tablets, robotics teaching and training sets, computers, printers, etc.), air-conditioning equipment and network switches, etc. owned by Shijiazhuang Institute of Technology and being used in its ordinary business for a period of 3 years at a total consideration of approximately RMB38,990,000; and
- (v) the finance lease agreement dated 28 December 2023 entered into between Shanghai Guojin Financial Leasing Co., Ltd. (上海國金融資租賃有限公司) (“**Guojin Financial**”) (as lessor) and Shijiazhuang Institute of Technology (as lessee) pursuant to which Guojin Financial agreed to lease teaching and learning equipment (such as computers, software and 3D printer, etc.), general office equipment and furniture (such as storage cabinets, tables, chairs and bunk beds,

etc.), laboratory equipment, air-conditioning equipment and water tanks, etc. owned by Shijiazhuang Institute of Technology and being used in its ordinary business for a period of 3 years at a total consideration of approximately RMB54,760,000.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. CORPORATE INFORMATION OF THE COMPANY

| | |
|---|---|
| Registered office | Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands |
| Headquarters and principal place of business in the PRC | 15/F, South Tower Zhonghai Plaza 8 Guanghua Dongli Chaoyang District Beijing, the PRC |
| Principal place of business in Hong Kong | 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay, Hong Kong |
| Cayman Islands share registrar and transfer office | Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands |
| Hong Kong branch share registrar | Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong |
| Joint Company Secretaries | Mr. Yang Yang Mr. Leung Chi Kit <i>(associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> |

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.21centuryedu.com>) during the period of 14 days from the date of this circular:

- (a) the General Construction Contract for Comprehensive Teaching Buildings dated 24 March 2022 entered into between Shijiazhuang Zerui and Shijiazhuang Construction;
- (b) the supplemental General Construction Contract for Comprehensive Teaching Buildings dated 6 September 2023 entered into between Shijiazhuang Zerui and Shijiazhuang Construction;
- (c) the alteration to the General Construction Contract for Comprehensive Teaching Buildings as confirmed by the parties dated 6 September 2023;
- (d) the General Construction Contract for Canteens and Dormitory Buildings dated 24 March 2022 entered into between Shijiazhuang Zerui and Hebei Chizheng;
- (e) the supplemental General Construction Contract for Canteens and Dormitory Buildings dated 6 September 2023 entered into between Shijiazhuang Zerui and Hebei Chizheng; and
- (f) the alteration to the General Construction Contract for Canteens and Dormitory Buildings as confirmed by the parties dated 6 September 2023.

NOTICE OF EXTRAORDINARY GENERAL MEETING



21世紀教育
21ST CENTURY EDUCATION

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Extraordinary General Meeting**”) of China 21st Century Education Group Limited (the “**Company**”) will be held at 15/F, South Tower, Zhonghai Plaza, 8 Guanghua Dongli, Chaoyang District, Beijing, the PRC on Monday, 11 March 2024 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the upward adjustment to the consideration of the general construction contract for comprehensive teaching buildings dated 24 March 2022 (the “**General Construction Contract for Comprehensive Teaching Buildings**”) (copy of which has been produced to the Extraordinary General Meeting marked “A” and signed by the Chairman of the Extraordinary General Meeting for identification purpose) as agreed by Shijiazhuang Zerui Education and Technology Co., Ltd* (石家莊澤瑞教育科技有限公司) and Shijiazhuang Construction Group Co., Ltd.* (石家莊建設集團有限公司) be and is hereby approved, confirmed and ratified; and
- (b) any director(s) of the Company be and is hereby authorized to sign, execute, perfect and deliver all such documents and to affix the common seal of the Company on any such document as and when necessary and do all such deeds, acts, matters and things as he may in his discretion consider necessary or desirable for the purposes of or in connection with the implementation of General Construction Contract for Comprehensive Teaching Buildings, and the transactions contemplated thereunder.”

2. **“THAT:**

- (a) the upward adjustment to the consideration of the general construction contract for canteens and dormitory buildings dated 24 March 2022 (the “**General Construction Contract for Canteens and Dormitory Buildings**”) (copy of which has been produced to the Extraordinary General Meeting marked “B” and signed by the Chairman of the Extraordinary General

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Meeting for identification purpose) as agreed by Shijiazhuang Zerui Education and Technology Co., Ltd* (石家莊澤瑞教育科技有限公司) and Hebei Chizheng Construction Engineering Co., Ltd.* (河北馳正建築工程有限公司) be and is hereby approved, confirmed and ratified; and

- (b) any director(s) of the Company be and is hereby authorized to sign, execute, perfect and deliver all such documents and to affix the common seal of the Company on any such document as and when necessary and do all such deeds, acts, matters and things as he may in his discretion consider necessary or desirable for the purposes of or in connection with the implementation of General Construction Contract for Canteens and Dormitory Buildings, and the transactions contemplated thereunder.”

Yours faithfully

For and on behalf of the Board

China 21st Century Education Group Limited

Li Yasheng

Chairman

Hong Kong, 22 February 2024

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Articles of Association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the Extraordinary General Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
2. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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3. A proxy form for use at the Extraordinary General Meeting is enclosed. Whether or not you intend to attend the Extraordinary General Meeting in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hands of any officer or attorney duly authorised.
5. In order to be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof (as the case may be).
6. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof (as the case may be) and, in such event, the proxy form appointing a proxy shall be deemed to be revoked.
7. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Thursday, 7 March 2024 to Monday, 11 March 2024 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 March 2024.
8. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting for the resolution set out in this notice will be taken by poll at the above meeting.

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

* *For identification purpose only*