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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)**

**PROPOSED MANDATE IN RELATION TO THE MAJOR TRANSACTION IN  
RESPECT OF THE POTENTIAL ACQUISITIONS OF LAND USE RIGHTS IV  
IN GAOYI COUNTY, SHIJIAZHUANG, HEBEI PROVINCE, THE PRC**

**POTENTIAL ACQUISITIONS OF LAND USE RIGHTS IV**

References are made to the announcements of the Company dated 7 March 2022, 28 April 2022 and 26 May 2022 in relation to the Acquisition of Land Use Rights I, Acquisition of Land Use Rights II, Acquisition of Land Use Rights III, Acquisition of Land Use Rights IV and Acquisition of Land Use Rights V, respectively. Further reference is made to the announcement of the Company dated 21 June 2022 in relation to the Acquisition of Land Use Rights III. As the public tender notice of Land IV has been issued as at the date of this announcement, the Board, after due consideration, wishes to announce that it intends to further seek a proposed mandate to be granted in advance by the Shareholders to the Directors to enter into and complete the potential acquisitions in relation to Land IV through public tender process.

It is currently planned that Shijiazhuang Zerui will bid for the land use rights of the Land IV in Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a maximum bidding price of RMB69.3 million. Consideration IV will depend on the final bidding price of the public tender. Upon successful bidding of the land use rights of the Land IV, the successful bidder is required to enter into the Confirmation Letter IV with the Public Resources Trading Centre of Gaoyi County. As a result of the successful bidding, a State-Owned Construction Land Use Rights Grant Contract with the Natural Resources and Planning Bureau of Gaoyi County shall be entered into within thirty days after entering into the Confirmation Letter IV.

The Board intends to seek the Proposed Mandate (Land IV) to be granted in advance by the Shareholders to the Directors to enter into and complete the Potential Acquisitions (Land IV) through public tender process.

Land IV will be used for the construction of ancillary facilities of the new campus of Shijiazhuang Institute of Technology.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios for the Potential Acquisitions (Land IV) is higher than 5% but all are less than 100% and the Acquisitions of Land Use Rights and the Potential Acquisitions (Land IV) were entered into with the same party within a 12-month period, pursuant to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions. As the highest percentage ratio upon aggregation of the Acquisitions of Land Use Rights and the Potential Acquisitions (Land IV) is higher than 25% but all are less than 100%, the Potential Acquisitions (Land IV), if materialised, is expected to constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **GENERAL MATTERS**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder has a material interest in the Potential Acquisitions (Land IV) which is different from other Shareholders, and thus no Shareholder would be required to abstain from voting at a general meeting if such a general meeting were to be convened.

On 23 June 2022, the Company has obtained written Shareholders' approval in lieu of holding a general meeting to approve for the Potential Acquisitions (Land IV) pursuant to Rule 14.44 of the Listing Rules from Sainange Holdings Company Limited, the controlling shareholder of the Company which currently holds 754,590,000 Shares (representing approximately 64.98% of the issued share capital of the Company as at the date of this announcement) and Sainray Limited which currently holds 92,736,000 Shares (approximately 7.99% of the issued share capital of the Company as at the date of this announcement). Accordingly, no Shareholders' meeting will be held to approve the Potential Acquisitions (Land IV) pursuant to Rule 14.44 of the Listing Rules.

A circular containing, *inter alia*, further details of the Potential Acquisitions (Land IV) will be despatched to the Shareholders around 24 June 2022.

**As the Potential Acquisitions (Land IV) may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

References are made to the announcements of the Company dated 7 March 2022, 28 April 2022 and 26 May 2022 in relation to the Acquisition of Land Use Rights I, Acquisition of Land Use Rights II, Acquisition of Land Use Rights III, Acquisition of Land Use Rights IV and Acquisition of Land Use Rights V, respectively. Further reference is made to the announcement of the Company dated 21 June 2022 in relation to the Acquisition of Land Use Rights III. As the public tender notice of Land IV has been issued as at the date of this announcement, the Board, after due consideration, wishes to announce that it intends to further seek a proposed mandate to be granted in advance by the Shareholders to the Directors to enter into and complete the potential acquisitions in relation to Land IV through public tender process. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the announcements of the Company dated 26 May 2022 and 21 June 2022, respectively.

## **THE PROPOSED MANDATE**

The Board intends to seek the Proposed Mandate (Land IV) to be granted in advance by the Shareholders to the Directors to enter into and complete the Potential Acquisitions (Land IV) through public tender process. The terms of the Proposed Mandate (Land IV) are as follows:

### **1. Mandate Period**

Taking into account (a) the expected timetable for signing the relevant State-Owned Construction Land Use Rights Grant Contracts and (b) there maybe delay in the timetable due to unforeseen reasons, the Proposed Mandate (Land IV) shall last from the date of the written Shareholders' approval until 20 September 2022.

### **2. Date and Procedures of the Public Tender**

Shijiazhuang Zerui shall pay a deposit of RMB20 million to the Public Resources Trading Centre of Gaoyi County as deposits for the auction of the land use rights of the Land IV. The deposit will form part of the Consideration IV. In the event that Shijiazhuang Zerui fails to bid for Land IV, the deposit will be returned to Shijiazhuang Zerui without interest accordingly.

Upon successful bidding of the land use rights of the Land IV, the successful bidder is required to enter into the Confirmation Letter IV with the Public Resources Trading Centre of Gaoyi County. As a result of the successful bidding, a State-Owned Construction Land Use Rights Grant Contract with the Natural Resources and Planning Bureau of Gaoyi County shall be entered into within thirty days after entering into the Confirmation Letter IV. The balance of the Consideration IV shall be paid within thirty days of entering into the State-Owned Construction Land Use Rights Grant Contracts.

### **3. Consideration**

The base price of Land IV is set at RMB56.08 million. Consideration IV will depend on the final bidding price of the public tender. The Proposed Mandate (Land IV) authorises and empowers the Board to bid for the land use rights of the Land IV with a maximum bidding price of RMB69.3 million. Consideration IV is expected to be financed by the Group's internal resources. In bidding for the land use rights of the Land IV, Shijiazhuang Zerui will take into account the base price of the bidding, current market conditions, size and location of the Land IV, land price(s) in the surrounding area and the valuation report prepared by an independent valuer.

#### **INFORMATION OF LAND IV**

Land IV is 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 46,269.12 sq.m.. Land IV is for commercial use with the term of the land use rights of 40 years and will be used for the construction of ancillary facilities of the new campus of Shijiazhuang Institute of Technology.

#### **REASONS FOR AND BENEFITS OF THE ACQUISITIONS OF LAND USE RIGHTS IV**

The Group will build ancillary facilities of a new campus of Shijiazhuang Institute of Technology on the Land IV (Land I, Land II, Land III and Land IV being adjacent to each other), which is in line with the Group's development strategy and further enlarges the teaching scale of the Group's vocational education. The Group plans to develop the area into a university city with an international vision, where local high-tech industries and scientific research institutes would be included to build a demonstration area that integrates industries and education for cultivating high calibre and skilled talents. The Acquisition of Land Use Rights IV will bring positive influence to the sustainable development of the Group in the future, and is in the interests of the Group and the Shareholders as a whole.

#### **INFORMATION OF THE GROUP AND THE PARTIES**

The Company is an investment holding company and the Group is a private education service provider based in Hebei Province of the PRC, which provides educational services and related management services in the PRC.

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 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.

The Public Resources Trading Centre of Gaoyi County is a local government authority under the People's Government of Gaoyi County, Shijiazhuang, Hebei Province, the PRC, and is responsible for, among other things, the management of the trading operation of public resources. The Natural Resources and Planning Bureau of Gaoyi County is a local government authority under the People's Government of Gaoyi County, Shijiazhuang, Hebei Province, the PRC, and is responsible for, among other things, the granting of land use rights in Gaoyi County, Shijiazhuang, Hebei Province, the PRC. To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, the Public Resources Trading Centre of Gaoyi County, the Natural Resources and Planning Bureau of Gaoyi County and their ultimate beneficial owner(s) are third parties independent of the Company and its connected person(s).

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios for the Potential Acquisitions (Land IV) is higher than 5% but all are less than 100% and the Acquisitions of Land Use Rights and the Potential Acquisitions (Land IV) were entered into with the same party within a 12-month period, pursuant to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions. As the highest percentage ratio upon aggregation of the Acquisitions of Land Use Rights and the Potential Acquisitions (Land IV) is higher than 25% but all are less than 100%, the Potential Acquisitions (Land IV), if materialised, is expected to constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder has a material interest in the Potential Acquisitions (Land IV) which is different from other Shareholders, and thus no Shareholder would be required to abstain from voting at a general meeting if such a general meeting were to be convened.

On 23 June 2022, the Company has obtained written Shareholders' approval in lieu of holding a general meeting to approve for the Potential Acquisitions (Land IV) pursuant to Rule 14.44 of the Listing Rules from Sainange Holdings Company Limited, the controlling shareholder of the Company which currently holds 754,590,000 Shares (representing approximately 64.98% of the issued share capital of the Company as at the date of this announcement) and Sainray Limited which currently holds 92,736,000 Shares (approximately 7.99% of the issued share capital of the Company as at the date of this announcement). Accordingly, no Shareholders' meeting will be held to approve the Potential Acquisitions (Land IV) pursuant to Rule 14.44 of the Listing Rules.

A circular containing, *inter alia*, further details of the Potential Acquisitions (Land IV) will be despatched to the Shareholders around 24 June 2022.

**As the Potential Acquisitions (Land IV) may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Acquisitions of Land Use Rights”	the acquisitions of the land use rights of the Land I, the Land II and the Land III through public tender process
“Acquisition of Land Use Rights IV”	the acquisition of the land use rights of the Land IV pursuant to the Confirmation Letter IV
“Confirmation Letter IV”	the confirmation letter to be entered into with Public Resources Trading Centre of Gaoyi County in relation to the successful bidding for the land use rights of the Land IV
“Consideration IV”	the final bid price payable by the Company, if successful in the public tender, in relation to the acquisition of land use rights of Land IV
“Land IV”	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 46,269.12 sq.m., being the subject matter of the Confirmation Letter IV
“Potential Acquisitions (Land IV)”	the potential acquisitions of the land use rights of the Land IV through public tender process
“Proposed Mandate (Land IV)”	the mandate for a period from the date of the written Shareholders’ approval, i.e. 23 June 2022 to 20 September 2022 to be granted by the Shareholders to the Directors for the Potential Acquisitions (Land IV)

\* *for identification purpose only*

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

Hong Kong, 23 June 2022

*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.*