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CHINA E-INFORMATION TECHNOLOGY GROUP LIMITED

中國網絡信息科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY

FORMATION OF JOINT VENTURE COMPANY

Reference is made to the announcement of the Company dated 26 January 2022 in relation to the letter of intent entered into between Tainuo (Shenzhen) and Shenzhen Tanxiao Fengsheng for business cooperation relating to the provision of after-school educational services.

The Board is pleased to announce that on 10 March 2022 (after trading hours of the Stock Exchange), Tainuo (Shenzhen) and Shenzhen Tanxiao Fengsheng entered into the JV Agreement in relation to the formation of the JV Company in the PRC to carry out the business of, among other things, extra-curricular and non-linguistic interest courses and after-school educational services targeted at primary and secondary students in the PRC.

Pursuant to the JV Agreement, the registered share capital will be RMB\$5,000,000, among which, Tainuo (Shenzhen) will contribute RMB\$3,000,000 and Shenzhen Tanxiao Fengsheng will contribute RMB2,000,000 respectively towards the registered capital of the JV Company. The JV Company will be owned as to 60% by Tainuo (Shenzhen) and 40% by Shenzhen Tanxiao Fengsheng respectively upon its establishment, and the financial results of the JV Company will be consolidated into the Group's consolidated financial statements. All the contributions will be in the form of cash.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of transactions contemplated under the JV Agreement exceeds 5% but is below 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

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The principal terms of the JV Agreement are set out below:

Date	:	10 March 2022 (after trading hours of the Stock Exchange)
Parties	:	(1) Tainuo (Shenzhen); and (2) Shenzhen Tanxiao Fengsheng
Place of incorporation	:	The PRC

Proposed business scope of the JV Company : (i) provision of online and offline extra-curricular, non-linguistic interest courses and after-school educational services through WeChat Mini Programs or online applications; (ii) development of the interest courses; and (iii) provision of consulting, management, advisory and market research and development (subject to the business scope as approved and registered by the business registration authority in the PRC)

Target end-users of the services to be provided by the JV Company : The primary and secondary school students in the PRC

Details of contribution to the registered capital of the JV Company : The total registered capital of RMB5,000,000 will be contributed in cash as follows:

- (1) RMB3,000,000 by Tainuo (Shenzhen), representing 60% of the registered capital of the JV Company; and
- (2) RMB2,000,000 by Shenzhen Tanxiao Fengsheng, representing 40% of the registered capital of the JV Company.

Tainuo (Shenzhen) and Shenzhen Tanxiao Fengsheng shall pay up their respective amount of the capital contribution by cash to the JV Company respectively within three (3) months after the establishment of the JV Company.

The JV Company will be owned as to 60% by Tainuo (Shenzhen) and 40% by Shenzhen Tanxiao Fengsheng respectively upon its establishment.

Board composition and management of the JV Company : The board of directors of the JV Company shall consist of five directors, of whom three (including the chairman of the board of directors of the JV Company) shall be appointed by the Tainuo (Shenzhen) and two shall be appointed by Shenzhen Tanxiao Fengsheng.

The following management roles shall be appointed by the board of directors of the JV Company and nominated by the respective parties to the JV Agreement:

- (1) the general manager of the JV Company, who is responsible for executing the decision of the board of directors of the JV Company and managing the affairs of the JV Company in its ordinary and usual course of business, shall be nominated by Shenzhen Tanxiao Fengsheng;
- (2) the assistant general manager of the JV Company, who is/are responsible for assisting the general manager of the JV Company, could be nominated by either of the parties to the JV Agreement; and
- (3) the financial officer of the JV Company, who is responsible for the financial affairs of the JV Company, shall be nominated by Tainuo (Shenzhen).

Term of business of the JV Company : 15 years. On the condition that a written agreement executed by the equity interest holders of the JV Agreement and the resolutions passed by the board of the directors of the JV Company at a meeting six months before the expiration of the term of business, the JV Company shall make an application to the relevant government authority in the PRC for an extension of its term of business, which shall be subject to the approval of the relevant government authority in the PRC.

Restriction on transfers and pre-emption rights on the equity interests in the JV Company : Any transfer of all or part of a party’s equity interest in the JV Company by an equity interest holder of the JV Company (the “**Selling Party**”) shall be subject to the written consent of the other equity interest holder of the JV Company (the “**Non-selling Party**”). In the event that a transfer of a party’s equity interest in the JV Company is permitted, the Non-selling Party shall be entitled to exercise its pre-emption right within 60 days from receiving the written notice of transfer from the Selling Party to acquire, or procure a third party designated by the Non-selling Party (the “**NS Designated third party**”) to acquire, the equity interest proposed to be transferred on the same terms of transfer as proposed by the Selling Party.

On the condition that (i) the NS designated third party which operates a business which is in competition with the Company’s businesses; or (ii) the proposed transfer of equity interest in the JV Company to the NS designated third party is in breach of the applicable laws of the PRC, then the Selling Party shall be entitled to refuse the proposed transfer of equity interest in the JV Company to the NS designated third party.

The amount of capital contribution was determined after arm’s length negotiations between Tainuo (Shenzhen) and Shenzhen Tanxiao Fengsheng with reference to the initial capital requirement of the JV Company. The Group intends to finance its investment from its internal resources.

It is expected that upon the formation of the JV Company, the financial results of the JV Company will be consolidated into the Group’s consolidated financial statements.

INFORMATION ON SHENZHEN TANXIAO FENGSHENG

Shenzhen Tanxiao Fengsheng is a limited company incorporated in the PRC which is principally engaged in the operation of its Juzi Platform* (桔子平台) (the “**Juzi Platform**”), an integrated interest courses related online platform in the PRC, to manage after-school education services for primary and secondary schools in the PRC. Shenzhen Tanxiao Fengsheng mainly operates its businesses in Shenzhen and Shaoguan City of Guangdong Province in the PRC through the Juzi Platform and has been serving more than 500,000 students online.

As at the date of this announcement, Shenzhen Shenwei Investment Co., Ltd.* (深圳燊威投資有限公司), Guangdong Jiangsheng Mingcheng Consulting Service Co., Ltd.* (廣東江盛銘誠諮詢服務有限公司), Shenzhen Zhonghui Rongtong Investment Management Co., Ltd.* (深圳市中匯融通投資管理有限公司), and by Guangzhou Mengzhengguan Public Welfare Foundation* (廣州市蒙正館公益基金會) are respectively interested in 60.6%, 20.0%, 14.4% and 5.0% of the total issued share capital of Shenzhen Tanxiao Fengsheng. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Shenzhen Tanxiao Fengsheng and its ultimate beneficial owners is a third party independent of and not connected with the Company and its subsidiaries and its connected persons.

INFORMATION ON THE GROUP

Tainuo (Shenzhen) is a wholly-owned subsidiary of the Company, which is principally engaged in software development, network and information security software development, information system integration services, consulting and planning services, network technology services, information technology consulting services, technical services and technical consultation, family education consulting services, education and teaching assessment and evaluation activities and enrollment assistance services etc.

The Company is an investment holding company. The Group is principally engaged in the provision of the services of an internet platform for education program, training programs, the business of software technology development, consultation, computer system integration and wholesale and retail of computer and foreign equipment in the PRC, and e-commerce business in membership basis.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE JV AGREEMENT

The Board considers that the entering into of the JV Agreement is in line with the Group's business goal and is in the interests of the Group and the Shareholders as a whole. The Board believes that the formation of the JV Company will enable the parties to the JV Agreement to complement the strength of each other and leverage their respective resources, which is conducive to the development of the business of the JV Company, and expects that transactions contemplated to be carried out by the JV Company may enhance future earning capacity and potential of the Group.

The Board is of the view that the terms of the JV Agreement (including the amount of registered capital) are on normal commercial terms and in the ordinary and usual course of the business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of transactions contemplated under the JV Agreement exceeds 5% but is below 25%, the entering into of the JV Agreement and the transactions contemplated thereunder constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

Reference is made to the announcement of the Company dated 7 January 2022 in relation to the resumption guidance (the “**Resumption Guidance**”) set out by the Stock Exchange.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 December 2021, pending the fulfilment of conditions as set out in the Resumption Guidance, and will remain suspended until further notice. The Company will publish further announcement(s) as and when appropriate to provide its Shareholders and potential investors with any information updates.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company

DEFINITIONS

In this announcement, the following expressions shall have the meanings unless the context requires otherwise.

“Board”	the Board of Directors;
“Company”	China E-information Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8055);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“JV Agreement”	the joint venture agreement dated 10 March 2022 entered into between Tainuo (Shenzhen) and Shenzhen Tanxiao Fengsheng in respect of the formation of the JV Company;
“JV Company”	subject to the approval and registration by the relevant government authority in the PRC, a company with limited liability proposed to be established and incorporated in the PRC, which will be owned as to 60% by Tainuo (Shenzhen) and 40% by Shenzhen Tanxiao Fengsheng upon its establishment pursuant to the JV Agreement;
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 19.07 of the GEM Listing Rules to be applied for determining the classification of a transaction;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shenzhen Tanxiao Fengsheng”	Shenzhen Tanxiao Fengsheng Education Technology Co., Ltd.* (深圳談校風生教育科技有限公司), a company incorporated in the PRC with limited liability;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;

“Tainuo (Shenzhen)”	Tainuo (Shenzhen) Technology Consulting Co., Ltd.* (泰諾(深圳)科技諮詢有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“WeChat Mini Programs”	online applications developed and established by third party(ies) on the WeChat online platform, which was owned and operated by Tencent Holdings Ltd; and
%	per cent.

* English name for identification purpose only.

By Order of the Board
China E-Information Technology Group Limited
Loo Chung Keung Steve
Executive Director and Chief Executive Officer

Hong Kong, 10 March 2022

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Lin Ruiping, Mr. Loo Chung Keung Steve, Ms. Zhu Ziyuan, Mr. Sun Hongtao, and Mr. Wang Shixing; and three independent non-executive Directors, namely, Ms. Yang Qingchun, Mr. Tang Jiuda and Ms. Lu Xiaowei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com and the website of the Company at www.irasia.com/listco/hk/chieinfotech/ for at least 7 days from the date of its publication.