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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)**

**CONNECTED TRANSACTIONS  
CONSTRUCTION DRAWINGS DESIGN CONTRACTS**

**THE CONSTRUCTION DRAWINGS DESIGN CONTRACTS**

On 13 February 2023 (after trading hours), Shijiazhuang Zerui Education and Xintianji Design entered into the Construction Drawings Design Contract (Phase III) with an estimated contract price of RMB3,170,206.

On 13 February 2023 (after trading hours), Shijiazhuang Zerui Commercial Development and Xintianji Design entered into the Construction Drawings Design Contract (Commercial) with an estimated contract price of RMB2,749,900.

**IMPLICATIONS UNDER THE LISTING RULES**

Xintianji Design is wholly-owned by Yuanda Fengsheng Development, which is in turn ultimately owned by Mr. Li, an executive Director and one of the controlling shareholders of the Company. Therefore, Xintianji Design is an associate of Mr. Li and a connected person of the Company. Accordingly, the transactions contemplated under the Construction Drawings Design Contracts constitute connected transactions of the Company.

As the Construction Drawings Design Contracts were of the same nature and were entered into between the Group and Xintianji Design on the same day, the Construction Drawings Design Contracts were required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As all applicable percentage ratios for the Construction Drawings Design Contracts in aggregate exceed 0.1% but all are less than 5%, the Construction Drawings Design Contracts constitute connected transactions of the Company which are subject to the announcement and reporting requirements, but are exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## THE CONSTRUCTION DRAWINGS DESIGN CONTRACTS

On 13 February 2023 (after trading hours), Shijiazhuang Zerui Education and Xintianji Design entered into the Construction Drawings Design Contract (Phase III) with an estimated contract price of RMB3,170,206.

Principal terms of the Construction Drawings Design Contract (Phase III) are set out below:

Date:	13 February 2023
Parties:	(i) Shijiazhuang Zerui Education  (ii) Xintianji Design
Transaction:	Xintianji Design agreed to provide construction drawings design services for Shijiazhuang Institute of Technology (New Campus) Phase III.
Contract price:	The estimated contract price is RMB3,170,206 (tax inclusive), subject to the final design area stated in the construction engineering planning permit (建設工程規劃許可證). The contract price is expected to be financed by the Group's internal resources.
Price:	The contract price was determined by way of public tender and accepted upon comprehensive evaluation by the bid evaluation committee of the Group. When selecting the bid winner, the bid evaluation committee considered a package of factors, including the tender price, the design solutions and recommendations and the quality and progress assurance measures provided by the tenderers.

- Term of payment: The contract price shall be paid in the following manner:
- (1) 20% of the estimated contract price shall be paid within 10 days after Shijiazhuang Zerui Education confirming the commencement of design;
  - (2) up to 70% of the settlement price (the “**Settlement Price**”) (being the final design area stated in the construction engineering planning permit multiplied by the unit price) shall be paid within 10 days after written confirmation of Shijiazhuang Zerui Education in relation to all construction drawings design having completed technical review and delivered to Shijiazhuang Zerui Education;
  - (3) up to 90% of the Settlement Price shall be paid within 10 days after written confirmation of Shijiazhuang Zerui Education in relation to all construction drawings design having passed the external review and delivered to Shijiazhuang Zerui Education;
  - (4) up to 95% of the Settlement Price shall be paid within 10 days after acceptance of all main building blocks (if the acceptance is passed separately, from the date of acceptance of the last main building block); and
  - (5) up to 100% of the Settlement Price shall be paid within 10 days after the completion and acceptance of all individual buildings.

On 13 February 2023 (after trading hours), Shijiazhuang Zerui Commercial Development and Xintianji Design entered into the Construction Drawings Design Contract (Commercial) with an estimated contract price of RMB2,749,900.

Principal terms of the Construction Drawings Design Contract (Commercial) are set out below:

- Date: 13 February 2023
- Parties: (i) Shijiazhuang Zerui Commercial Development
- (ii) Xintianji Design
- Transaction: Xintianji Design agreed to provide construction drawings design services for the commercial land project of Shijiazhuang Institute of Technology (New Campus).

- Contract price: The estimated contract price is RMB2,749,900 (tax inclusive), subject to the final design area stated in the construction engineering planning permit. The contract price is expected to be financed by the Group's internal resources.
- Price: The contract price was determined by way of public tender and accepted upon comprehensive evaluation by the bid committee of the Group. When selecting the bid winner, the bid evaluation committee considered a package of factors, including the tender price, the design solutions and recommendations and the quality and progress assurance measures provided by the tenderers.
- Term of payment: The contract price shall be paid in the following manner:
- (1) 20% of the estimated contract price shall be paid within 10 days after Shijiazhuang Zerui Commercial Development confirming the commencement of design;
  - (2) up to 70% of the settlement price (the "**Settlement Price**") (being the final design area stated in the construction engineering planning permit multiplied by the unit price) shall be paid within 10 days after written confirmation of Shijiazhuang Zerui Commercial Development in relation to all construction drawings design of the commercial land project having completed technical review and delivered to Shijiazhuang Zerui Commercial Development;
  - (3) up to 90% of the Settlement Price shall be paid within 10 days after written confirmation of Shijiazhuang Zerui Commercial Development in relation to all construction drawings design having completed, passed the external review and delivered to Shijiazhuang Zerui Commercial Development;
  - (4) up to 95% of the Settlement Price shall be paid within 10 days after acceptance of all main building blocks (if the acceptance is passed separately, from the date of acceptance of the last main building block); and
  - (5) up to 100% of the Settlement Price shall be paid within 10 days after the completion and acceptance of all individual buildings.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION DRAWINGS DESIGN CONTRACTS**

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 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. It will lay more foundation for Shijiazhuang Institute of Technology to get fully prepared for upgrading to undergraduate vocational university in the future.

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 Construction Drawings Design Contracts will provide the construction drawings design for the buildings to be erected on the third and fourth pieces of land parcels acquired, which are crucial before the commencement of construction of phases III and IV of the new campus.

The Group considers that entering into the Construction Drawings Design Contracts are of vital importance to the construction of new campus of Shijiazhuang Institute of Technology. The Directors (including the independent non-executive Directors), consider that the terms of the Construction Drawings Design Contracts are on normal commercial terms and are fair and reasonable and the entering into of the Construction Drawings Design Contracts are in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **Shijiazhuang Zerui Education and Shijiazhuang Zerui Commercial Development**

Shijiazhuang Zerui Education 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 Education is mainly responsible for construction, operation management and business operation of teaching infrastructures. Shijiazhuang Zerui Commercial Development is 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 Commercial Development is principally engaged in development and operation of real estate, food and beverage services, housing and venue rental, property services and development of commercial projects.

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.

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.

### **Xintianji Design**

Xintianji Design is a company established under the laws of the PRC with limited liability on 24 October 2000 and is wholly-owned by Yuanda Fengsheng Development, which is in turn ultimately owned by Mr. Li, an executive Director and one of the controlling shareholders of the Company. The primary businesses of Xintianji Design include construction and decorative engineering design, construction and façade engineering design, steel structural engineering design, construction intelligent system design, illumination engineering design and fire facilities engineering design within the scope of Class A special engineering design business and safety engineering design.

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

Xintianji Design is wholly-owned by Yuanda Fengsheng Development, which is in turn ultimately owned by Mr. Li, an executive Director and one of the controlling shareholders of the Company. Therefore, Xintianji Design is an associate of Mr. Li and a connected person of the Company. Accordingly, the transactions contemplated under the Construction Drawings Design Contracts constitute connected transactions of the Company.

As the Construction Drawings Design Contracts were of the same nature and were entered into between the Group and Xintianji Design on the same day, the Construction Drawings Design Contracts were required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As all applicable percentage ratios for the Construction Drawings Design Contracts in aggregate exceed 0.1% but all are less than 5%, the Construction Drawings Design Contracts constitute connected transactions of the Company which are subject to the announcement and reporting requirements, but are exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Xintianji Design is wholly-owned by Yuanda Fengsheng Development, which is in turn ultimately owned by Mr. Li, he has abstained from voting on the Board resolution to approve the Construction Drawings Design Contracts. Save as disclosed above, none of the Directors have material interest in the Construction Drawings Design Contracts and hence no other Director was required to abstain from voting on the relevant Board resolutions approving the Construction Drawings Design Contracts.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“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;
“Construction Drawings Design Contracts”	the Construction Drawings Design Contract (Phase III) and the Construction Drawings Design Contract (Commercial);
“Construction Drawings Design Contract (Phase III)”	the construction drawings design contract for Shijiazhuang Institute of Technology (New Campus) Phase III dated 13 February 2023 entered into between Shijiazhuang Zerui Education and Xintianji Design;
“Construction Drawings Design Contract (Commercial)”	the construction drawings design contract for commercial land project of Shijiazhuang Institute of Technology (New Campus) dated 13 February 2023 entered into between Shijiazhuang Zerui Commercial Development and Xintianji Design;
“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;
“controlling shareholder(s)”	has the meaning given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company, its subsidiaries and the PRC Operating Entities from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;

“Mr. Li”	Mr. Li Yunong (李雨濃), one of the controlling shareholders of the Company and an executive Director;
“Peijian Tutorial School”	Hangzhou Huashi Peijian Tutorial School Limited* (杭州華石培尖培訓學校有限公司), which is one of the PRC Operating Entities;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“PRC Operating Entities”	Shijiazhuang Saintach Education and Technology Co., Ltd.* (石家莊新天際教育科技有限公司), Hebei Saintach Education and Technology Co., Ltd.* (河北新天際教育科技有限公司), Shijiazhuang Institute of Technology, Saintach Tutorial Schools, Peijian Tutorial School, Shinedao Tutorial School and Saintach Kindergartens;
“Prospectus”	the prospectus issued by the Company on the initial public offering and listing dated 15 May 2018;
“RMB”	Renminbi, the lawful currency of the PRC;
“Saintach Kindergarten(s)”	Shijiazhuang Qiaoxi District Blue Crystal Saintach Kindergarten* (石家莊市橋西區新天際藍水晶幼兒園), Shijiazhuang Luquan District Fukang Saintach Kindergarten* (石家莊市鹿泉區新天際福康幼兒園), Shijiazhuang Chang’an District Jianhua Saintach Kindergarten* (石家莊市長安區新天際建華幼兒園), Shijiazhuang Qiaoxi District Lidu Saintach Kindergarten* (石家莊市橋西區新天際麗都幼兒園), Shijiazhuang High-tech Industrial Development Zone Tianshan Saintach Kindergarten* (石家莊高新技術產業開發區新天際天山幼兒園), Shijiazhuang Chang’an District Qinghui Saintach Kindergarten* (石家莊市長安區新天際清暉幼兒園), Zhengding County Saintach Kindergarten* (正定縣新天際幼兒園) and Zhengding County Fumenli Saintach Kindergarten* (正定縣新天際福門里幼兒園), which are the PRC Operating Entities;



“Saintach Tutorial School(s)”	Shijiazhuang City Qiaoxi District Bilingual Culture Tutorial School* (石家莊市橋西區雙語文化培訓學校), Shijiazhuang City Chang’an District Saintach Tutorial School* (石家莊市長安區新天際培訓學校), Shijiazhuang Yuhua District Donggang Road Saintach Tutorial School* (石家莊市裕華區東崗路新天際培訓學校), Shijiazhuang City Qiaoxi District Zhicheng Tutorial School* (石家莊市橋西區智城培訓學校), Shijiazhuang City High-tech Zone Saintach Tutorial School* (石家莊市高新區新天際培訓學校) and Shijiazhuang City Xinhua District Huixuan Education Tutorial School* (石家莊市新華區慧軒教育培訓學校), which are the PRC Operating Entities;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shijiazhuang Institute of Technology”	Shijiazhuang Institute of Technology* (石家莊理工職業學院), a junior college established under the laws of the PRC on 1 July 2003 of which school sponsors’ interest are wholly-owned by Zerui Education as of the date of this announcement, and one of the PRC Operating Entities;
“Shijiazhuang 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 Education”	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;
“Shinedao Tutorial School”	Shaoxing Shangyu Shinedao Education Tutorial School* (紹興市上虞區學鼎教育培訓學校), which is one of the 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;
“Xintianji Design”	Hebei Xintianji Construction Design Co., Ltd.* (河北新天際建築設計有限公司), a company established under the laws of the PRC with limited liability on 24 October 2000;

“Yuanda Fengsheng Development”	Yuanda Fengsheng Development Group Co., Ltd.* (元大豐盛發展集團有限公司), a company established under the laws of the PRC with limited liability on 14 May 2021 and is ultimately owned by Mr. Li;
“Zerui Education”	Hebei Zerui Education Technology Co., Ltd.* (河北澤瑞教育科技有限公司), a company established under the laws of the PRC with limited liability on 12 July 2017, an indirect wholly-owned subsidiary controlled by the Company through Contractual Arrangements; and
“%”	per cent.

\* *for identification purposes only*

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

Hong Kong, 13 February 2023

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