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JH Educational Technology INC.

嘉宏教育科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1935)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHTS

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that on 13 December 2024, the College of Economics and Business, a consolidated affiliated entity of the Company, successfully bid for the land use rights of the Land located in Shangjie District, Zhengzhou City, Henan Province, the PRC offered for sale by the Bureau at the Auction at a total consideration of RMB305.98 million. The Confirmation Letter in relation to the Acquisition was entered into as a result of the successful bidding and the Land Use Rights Grant Contract in relation to the Acquisition is expected to be entered into by the College of Economics and Business and the Bureau within 30 days after the execution of the Confirmation Letter.

The Land will be used for the construction of a new campus of the College of Economics and Business.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and therefore 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 and having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve the Acquisition if the Company were to convene a general meeting to approve the same.

On 13 December 2024, the Company has obtained written Shareholders' approval in lieu of holding a general meeting to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules from (i) Guo's Investment Holdings Limited, which currently holds 378,000,000 Shares (representing approximately 23.61% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Yuguo; (ii) Shu's Investment Holdings Limited, which currently holds 216,000,000 Shares (representing approximately 13.49% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Shu; (iii) Feng's Investment Holdings Limited, which currently holds 216,000,000 Shares (representing approximately 13.49% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Lingfeng; (iv) Chun's Investment Holdings Limited which currently holds 120,000,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Yuchun; (v) ZXL Investment Holdings Limited, which currently holds 120,000,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Ms. Zhang Xuli; (vi) Cao's Investment Holdings Limited, which currently holds 90,000,000 Shares (representing approximately 5.62% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Yucao; and (vii) CNS Investment Holdings Limited, which currently holds 60,000,000 Shares (representing approximately 3.75% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Nansun. Mr. Chen Yuguo is the younger brother of Mr. Chen Yuchun and Mr. Chen Yucao, father of Mr. Chen Shu and Mr. Chen Lingfeng, uncle of Mr. Chen Nansun and brother-in-law of Ms. Zhang Xuli. Accordingly, no Shareholders' meeting will be held to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules.

The circular containing the information required under Listing Rules in relation to the Acquisition is expected to be despatched to Shareholders on or before 8 January 2025.

As the completion of the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 13 December 2024, the College of Economics and Business, a consolidated affiliated entity of the Company, successfully bid for the land use rights of the Land located in Shangjie District, Zhengzhou City, Henan Province, the PRC offered for sale by the Bureau at the Auction at a total consideration of RMB305.98 million. The Confirmation Letter in relation to the Acquisition was entered into as a result of the successful bidding and the Land Use Rights Grant Contract in relation to the Acquisition is expected to be entered into by the College of Economics and Business and the Bureau within 30 days after the execution of the Confirmation Letter.

THE ACQUISITION

The principal terms of the Confirmation Letter

Date:	13 December 2024 (after trading hours)
Parties to the Confirmation Letter:	(i) the College of Economics and Business; and (ii) the Bureau.
Consideration and payment:	The final bidding price is RMB305.98 million. The bidding deposit (競買保證金) of RMB61.20 million paid by the College of Economics and Business will become the deposit (定金) under the Land Use Rights Grant Contract for the Acquisition. The Consideration will be funded by the Group's internal resources.
Land Use Rights Grant Contract:	If the College of Economics and Business fails to enter into the Land Use Rights Grant Contract with the Bureau within 30 days after the execution of the Confirmation Letter, it shall be considered that the College of Economics and Business has given up its successful bidding and shall bear the corresponding responsibility.
The information of the Land	
Plot No.:	Zheng Shang Chu [2024] No. 15
Location of the Land:	South side of Wuyun Road (五雲路南側), east side of Dengfeng Road (登峰路東側), Shangjie District, Zhengzhou City, Henan Province, the PRC
Total site area:	517,731.81 square meters
Proposed use of the Land:	Higher education use
Term of the land use right:	50 years

BASIS OF DETERMINATION OF THE CONSIDERATION

The Consideration was arrived at as a result of successful bidding of the Land by the College of Economics and Business at the Auction after taking into account of the current market conditions in the vicinity of the Land, the current land price in the surrounding area of the Land and its development potential.

REASON FOR AND BENEFITS OF THE ACQUISITION

The Group will construct a new campus of the College of Economics and Business on the Land, aligning with the Group's development strategy and expanding the scale of its higher education. The Acquisition will significantly enhance the Group's ability to broaden its educational offerings and facilities, positively impacting the Group's sustainable development in the future. The Directors (including the independent non-executive Directors) consider that the Acquisition is in the ordinary and usual course of business of the Group, and the terms thereof are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE PARTIES AND THE GROUP

The Bureau

The Bureau is a PRC governmental authority and is responsible for, among other things, the management of the trading operation of public resources. The Bureau falls under the definition of "PRC Governmental Body" under Rule 19A.04 of the Listing Rules. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Bureau and its respective ultimate beneficial owner(s) are Independent Third Parties.

The College of Economics and Business

The College of Economics and Business, formerly known as Zhongyuan University of Technology College of Information and Business* (中原工學院信息商務學院), is a wholly privately-owned undergraduate college located in Zhengzhou, Henan Province, the PRC. The College of Economics and Business is a PRC consolidated affiliated entity of the Company and a subsidiary of JH Holdings Group. JH Holdings Group is controlled by the Company through a series of contractual arrangements.

The Group

The Group is mainly engaged in offering formal undergraduate education, junior college education and high school education in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and therefore 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 and having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on, any resolution to approve the Acquisition if the Company were to convene a general meeting to approve the same.

On 13 December 2024, the Company has obtained written Shareholders' approval in lieu of holding a general meeting to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules from (i) Guo's Investment Holdings Limited, which currently holds 378,000,000 Shares (representing approximately 23.61% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Yuguo; (ii) Shu's Investment Holdings Limited, which currently holds 216,000,000 Shares (representing approximately 13.49% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Shu; (iii) Feng's Investment Holdings Limited, which currently holds 216,000,000 Shares (representing approximately 13.49% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Lingfeng; (iv) Chun's Investment Holdings Limited, which currently holds 120,000,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Yuchun; (v) ZXL Investment Holdings Limited, which currently holds 120,000,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Ms. Zhang Xuli; (vi) Cao's Investment Holdings Limited, which currently holds 90,000,000 Shares (representing approximately 5.62% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Yucao; and (vii) CNS Investment Holdings Limited, which currently holds 60,000,000 Shares (representing approximately 3.75% of the issued share capital of the Company as at the date of this announcement) and is 100% owned by Mr. Chen Nansun. Mr. Chen Yuguo is the younger brother of Mr. Chen Yuchun and Mr. Chen Yucao, father of Mr. Chen Shu and Mr. Chen Lingfeng, uncle of Mr. Chen Nansun and brother-in-law of Ms. Zhang Xuli. Accordingly, no Shareholders' meeting will be held to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules.

The circular containing the information required under Listing Rules in relation to the Acquisition is expected to be despatched to Shareholders on or before 8 January 2025.

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DEFINITIONS

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

“Acquisition”	the acquisition of the land use rights of the Land through the Auction
“Auction”	the public auction held by the Bureau at which the Land was offered for sale
“Board”	the board of directors of the Company
“Bureau”	Zhengzhou City Shangjie District Natural Resources Bureau* (鄭州市上街區自然資源局)
“College of Economics and Business”	Zhengzhou College of Economics and Business* (鄭州經貿學院), a wholly privately-owned undergraduate college located in Zhengzhou, Henan Province, the PRC, which is a PRC consolidated affiliated entity of the Company and a subsidiary of JH Holdings Group
“Company”	JH Educational Technology INC. (嘉宏教育科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 23 June 2017 and whose Shares are listed on the Main Board of the Stock Exchange
“Confirmation Letter”	the confirmation letter (成交確認書) entered into between the College of Economics and Business and the Bureau on 13 December 2024 (after trading hours)
“Consideration”	RMB305.98 million, being the price for the grant of the land use rights for the Land
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and the consolidated affiliated entities
“Independent Third Party(ies)”	person(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules

“JH Holdings Group”	JH Holdings Group Company Limited* (嘉宏控股集團有限公司), a limited liability company established under the laws of the PRC on 17 June 2003
“Land”	the plot of land described under the section headed “The Acquisition” in this announcement with plot number Zheng Shang Chu [2024] No. 15 and a total site area of approximately 517,731.81 square meters which was offered for sale at the Auction
“Land Use Rights Grant Contract”	the land use rights grant contract (國有建設用地使用權出讓合同) to be entered into between the College of Economics and Business and the Bureau for the Acquisition within 30 days after the execution of the Confirmation Letter
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
JH Educational Technology INC.
Chen Yuguo
Chairman

Zhejiang, the People’s Republic of China
13 December 2024

As at the date of this announcement, the executive Directors are Mr. Chen Yuguo, Mr. Chen Yuchun, Mr. Chen Shu, Mr. Chen Nansun and Mr. Chen Lingfeng; the non-executive Director is Ms. Zhang Xuli; and the independent non-executive Directors are Ms. Bi Hui, Mr. Fung Nam Shan and Mr. Wang Yuqing.

* For identification purpose only