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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 TRANSACTIONS
IN RELATION TO CONSTRUCTION CONTRACTS**

CONSTRUCTION CONTRACTS

On 10 March 2025 (after trading hours), the College of Economics and Business and the Contractor entered into the Construction Contracts, pursuant to which, the College of Economics and Business has engaged the Contractor to perform the construction projects of teaching and training buildings, public buildings and faculty apartments and dormitory buildings with an aggregate consideration of RMB825,631,614.70.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Construction Contracts, on aggregate basis, exceeds 25% but is less than 100%, the transactions contemplated thereunder constitute major transactions of the Company and therefore are 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 Construction Contracts and the transactions contemplated thereunder if the Company were to convene a general meeting to approve the same.

On 10 March 2025, the Company has obtained written Shareholders' approval in lieu of holding a general meeting to approve the Construction Contracts and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from Shareholders who held 74.96% of issued share capital of the Company in aggregate, including (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 Construction Contracts and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

The circular containing the information required under Listing Rules in relation to the Construction Contracts and the transactions contemplated thereunder is expected to be despatched to Shareholders on or before 31 March 2025.

INTRODUCTION

References are made to the announcements of the Company dated 13 December 2024 and 27 December 2024 and the circular of the Company dated 10 February 2025 in relation to the acquisition of land use rights of the lands located in Shangjie District, Zhengzhou City, Henan Province, the PRC. To initiate the construction of the Shangjie Campus, the Group has (i) completed the necessary filings and obtained the required approvals from relevant government authorities, including but not limited to the construction land planning permits; and (ii) invited qualified contractors to provide quotations and ultimately selected the Contractor for the construction projects after comprehensive evaluation.

On 10 March 2025 (after trading hours), the College of Economics and Business and the Contractor entered into the Construction Contracts, pursuant to which, the College of Economics and Business has engaged the Contractor to perform the construction projects of teaching and training buildings, public buildings and faculty apartments and dormitory buildings with an aggregate consideration of RMB825,631,614.70.

THE CONSTRUCTION CONTRACTS

Construction Contract (Teaching and Training Buildings)

The principal terms of the Construction Contract (Teaching and Training Buildings) are as follows:

Date: 10 March 2025 (after trading hours)

Parties: (i) the College of Economics and Business; and
(ii) the Contractor.

Subject matter: The construction project under the Construction Contract (Teaching and Training Buildings) comprises the Phase I teaching and training buildings of the College of Economics and Business, with a total gross floor area of 76,311.86 square meters, which include one training building and three teaching buildings. The construction project is situated in the Shangjie Campus of the College of Economics and Business, located at the intersection of Huaiyang Road (淮陽路) and Wuyun Road (五雲路), Shangjie District, Zhengzhou City, Henan Province, the PRC.

Pursuant to the Construction Contract (Teaching and Training Buildings), the scope of work for the Contractor in respect of the construction project includes all earthwork, main construction works, steel scaffolding works, water, electricity and fire protection installation works, secondary structure masonry and plastering works, external wall insulation and painting works, roof waterproofing and anti-corrosion works, safety and civilized construction works, as well as various mechanical equipment, construction cables and distribution boxes, and others which are specified in the bill of quantities.

Construction period: The construction of the Phase I teaching and training buildings is expected to commence on 20 March 2025 and complete on 10 October 2025, encompassing a total of 205 calendar days.

Consideration: The consideration of Construction Contract (Teaching and Training Buildings) amounts to RMB196,121,480.20.

The consideration will be funded by a combination of the IPO Proceeds and external loan.

Payment:

Prepayment

The College of Economics and Business shall make a prepayment of 10% of the total consideration of the Construction Contract (Teaching and Training Buildings), i.e. RMB19,612,148.02, to the Contractor within seven days prior to the agreed-upon start date of construction.

Milestone Payment

- Payments shall be made monthly, contingent upon the progress of the construction project, where the Contractor required to submit a report detailing the completed work. After the construction projects have been completed, 85% of the total consideration (including the prepayment), i.e. RMB166,703,258.17, should have been paid.
- Within 14 days following the acceptance of the construction project, 95% of the total consideration (including the prepayment), i.e. RMB186,315,406.19, should have been paid.
- Within one month after the final project audit, 97% of the total consideration (including the prepayment), i.e. approximately RMB190,237,835.79, should have been paid.

Quality Assurance Fund

3% of the total consideration of the Construction Contract (Teaching and Training Buildings), i.e. approximately RMB5,883,644.41 shall be withheld as a quality assurance fund to ensure the Contractor fulfills their obligation to rectify defects during the defect liability period. The defect liability period shall be 24 months, commencing from the date of completion of the construction project. Upon the expiration of the defect liability period, the College of Economics and Business shall pay the quality assurance fund to the Contractor.

Construction Contract (Public Buildings and Faculty Apartments)

The principal terms of the Construction Contract (Public Buildings and Faculty Apartments) are as follows:

Date: 10 March 2025 (after trading hours)

Parties: (i) the College of Economics and Business; and
(ii) the Contractor.

Subject matter: The construction project under the Construction Contract (Public Buildings and Faculty Apartments) comprises the Phase I public buildings and faculty apartments of the College of Economics and Business, with a total gross floor area of 108,543.70 square meters, which include various facilities such as a library and administration complex, a gymnasium, a science and arts building, dining halls, commercial buildings, student activity centers, an administration building, a grandstand, faculty dormitories and apartments, etc. The construction project is situated in the Shangjie Campus of the College of Economics and Business, located at the intersection of Huaiyang Road (淮陽路) and Wuyun Road (五雲路), Shangjie District, Zhengzhou City, Henan Province, the PRC.

Pursuant to the Construction Contract (Public Buildings and Faculty Apartments), the scope of work for the Contractor in respect of the construction project includes all earthwork, main construction works, steel scaffolding works, water, electricity and fire protection installation works, secondary structure masonry and plastering works, external wall insulation and painting works, roof waterproofing and anti-corrosion works, safety and civilized construction works, as well as various mechanical equipment, construction cables and distribution boxes, and others which are specified in the bill of quantities.

Construction period: The construction of the Phase I public buildings and faculty apartments is expected to commence on 20 March 2025 and complete on 10 October 2025, encompassing a total of 205 calendar days.

Consideration: The consideration of Construction Contract (Public Buildings and Faculty Apartments) amounts to RMB276,652,979.70.

The consideration will be funded by a combination of the IPO Proceeds and external loan.

Payment:

Prepayment

The College of Economics and Business shall make a prepayment of 10% of the total consideration of the Construction Contract (Public Buildings and Faculty Apartments), i.e. RMB27,665,297.97, to the Contractor within seven days prior to the agreed-upon start date of construction.

Milestone Payment

- Payments shall be made monthly, contingent upon the progress of the construction project, where the Contractor required to submit a report detailing the completed work. After the construction projects have been completed, 85% of the total consideration (including the prepayment), i.e. approximately RMB235,155,032.75, should have been paid.
- Within 14 days following the acceptance of the construction project, 95% of the total consideration (including the prepayment), i.e. approximately RMB262,820,330.72, should have been paid.
- Within one month after the final project audit, 97% of the total consideration (including the prepayment), i.e. approximately RMB268,353,390.31, should have been paid.

Quality Assurance Fund

3% of the total consideration of the Construction Contract (Public Buildings and Faculty Apartments), i.e. approximately RMB8,299,589.39, shall be withheld as a quality assurance fund to ensure the Contractor fulfills their obligation to rectify defects during the defect liability period. The defect liability period shall be 24 months, commencing from the date of completion of the construction project. Upon the expiration of the defect liability period, the College of Economics and Business shall pay the quality assurance fund to the Contractor.

Construction Contract (Dormitory Buildings)

The principal terms of the Construction Contract (Dormitory Buildings) are as follows:

Date: 10 March 2025 (after trading hours)

Parties: (i) the College of Economics and Business; and
(ii) the Contractor.

Subject matter: The construction project under the Construction Contract (Dormitory Buildings) comprises the Phase I dormitory buildings of the College of Economics and Business, with a total gross floor area of 154,761.91 square meters, which include eight dormitory buildings. The construction project is situated in the Shangjie Campus of the College of Economics and Business, located at the intersection of Huaiyang Road (淮陽路) and Wuyun Road (五雲路), Shangjie District, Zhengzhou City, Henan Province, the PRC.

Pursuant to the Construction Contract (Dormitory Buildings), the scope of work for the Contractor in respect of the construction project includes all earthwork, main construction works, steel scaffolding works, water, electricity and fire protection installation works, secondary structure masonry and plastering works, external wall insulation and painting works, roof waterproofing and anti-corrosion works, safety and civilized construction works, as well as various mechanical equipment, construction cables and distribution boxes, and others which are specified in the bill of quantities.

Construction period: The construction of the Phase I dormitory buildings is expected to commence on 20 March 2025 and complete on 10 October 2025, encompassing a total of 205 calendar days.

Consideration: The consideration of Construction Contract (Dormitory Buildings) amounts to RMB352,857,154.80.

The consideration will be funded by a combination of the IPO Proceeds and external loan.

Payment:

Prepayment

The College of Economics and Business shall make a prepayment of 10% of the total consideration of the Construction Contract (Dormitory Buildings), i.e. RMB35,285,715.48, to the Contractor within seven days prior to the agreed-upon start date of construction.

Milestone Payment

- Payments shall be made monthly, contingent upon the progress of the construction project, where the Contractor required to submit a report detailing the completed work. After the construction projects have been completed, 85% of the total consideration (including the prepayment), i.e. RMB299,928,581.58, should have been paid.
- Within 14 days following the acceptance of the construction project, 95% of the total consideration (including the prepayment), i.e. RMB335,214,297.06, should have been paid.
- Within one month after the final project audit, 97% of the total consideration (including the prepayment), i.e. approximately RMB342,271,440.16, should have been paid.

Quality Assurance Fund

3% of the total consideration of the Construction Contract (Dormitory Buildings), i.e. approximately RMB10,585,714.64, shall be withheld as a quality assurance fund to ensure the Contractor fulfills their obligation to rectify defects during the defect liability period. The defect liability period shall be 24 months, commencing from the date of completion of the construction project. Upon the expiration of the defect liability period, the College of Economics and Business shall refund the quality assurance fund to the Contractor.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACTS

The Group will construct the Shangjie Campus of the College of Economics and Business in Shangjie District, Zhengzhou City, Henan Province, aligning with the Group's development strategy and expanding the scale of its higher education business. The estimated student capacity of Shangjie Campus is approximately 20,000 students. The Shangjie Campus will significantly enhance the Group's ability to broaden its educational offerings and facilities, positively impacting the Group's sustainable development in the future.

Before entering into the Construction Contracts with the Contractor, the Company obtained fee quotations from several qualified contractors. After a comprehensive evaluation of various factors, including capabilities, experience, fee quotes and key terms of the contracts, the Company selected the Contractor for the construction projects. As explained above, the final consideration was determined after arm's length negotiations between the College of Economics and Business and the Contractor, with reference to, among others, the scope and complexity of the construction works, prevailing market rates for such works, local market conditions, materials used, and labor costs, etc.

The Directors (including the independent non-executive Directors) consider that the Construction Contracts and the transactions contemplated thereunder 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 Contractor

The Contractor, Henan Xianrui Construction Engineering Co., Ltd.* (河南先睿建筑工程有限公司), mainly engaged in construction businesses. The Contractor is 100% owned by Wenzhou Jinlong Electrical Appliances Co., Ltd.* (温州瑾隆电器有限公司), which is in turn held as to 85.0% and 15.0% by Zheng Mo (鄭墨) and Gao Xiaohui (高曉輝), respectively. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Contractor and its respective ultimate beneficial owner(s) are Independent Third Parties.

The College of Economics and Business

The College of Economics and Business 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 transactions contemplated under the Construction Contracts, on aggregate basis, exceeds 25% but is less than 100%, the transactions contemplated thereunder constitute major transactions of the Company and therefore are 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 Construction Contracts and the transactions contemplated thereunder if the Company were to convene a general meeting to approve the same.

On 10 March 2025, the Company has obtained written Shareholders' approval in lieu of holding a general meeting to approve the Construction Contracts and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from Shareholders who held 74.96% of the issued share capital of the Company in aggregate, including (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 Construction Contracts and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

The circular containing the information required under Listing Rules in relation to the Construction Contracts and the transactions contemplated thereunder is expected to be despatched to Shareholders on or before 31 March 2025.

DEFINITIONS

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

“Board”	the board of directors of the Company
“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
“Construction Contract (Dormitory Buildings)”	the construction contract dated 10 March 2025 entered into between the College of Economics and Business and the Contractor in relation to the construction of dormitory buildings, details of which are set out under the section headed “The Construction Contracts”
“Construction Contract (Public Buildings and Faculty Apartments)”	the construction contract dated 10 March 2025 entered into between the College of Economics and Business and the Contractor in relation to the construction of public buildings and faculty apartments, details of which are set out under the section headed “The Construction Contracts”
“Construction Contract (Teaching and Training Buildings)”	the construction contract dated 10 March 2025 entered into between the College of Economics and Business and the Contractor in relation to the construction of teaching and training buildings, details of which are set out under the section headed “The Construction Contracts”
“Construction Contracts”	the construction contracts dated 10 March 2025 entered into between the College of Economics and Business and the Contractor, including the Construction Contract (Dormitory Buildings), the Construction Contract (Public Buildings and Faculty Apartments) and the Construction Contract (Teaching and Training Buildings)
“Contractor”	Henan Xianrui Construction Engineering Co., Ltd.* (河南先睿建築工程有限公司), a limited liability company incorporated in the PRC on 12 October 2022
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time

“Independent Third Party(ies)”	person(s) who is not a connected person pursuant to the Listing Rules
“IPO Proceeds”	the net proceeds of the Company from the initial public offering and listing of its shares on the Main Board of the Stock Exchange on 18 June 2019
“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
“Shangjie Campus”	the new campus of the College of Economics and Business located in Shangjie District, Zhengzhou City, Henan Province, 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
10 March 2025

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.