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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)**

### **INSIDE INFORMATION**

This announcement is made by China 21st Century Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **THE AUCTION**

References are made to the announcement of the Company dated 26 May 2022, 23 June 2022 and 17 April 2024 (the “**Announcements**”) and the circular of the Company dated 26 June 2022 (the “**Circular**”) in relation to, among other things, the acquisition of land use rights of Land IV and the Land. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and Circular.

On 11 April 2025, the Company received two auction confirmations (each the “**Auction Confirmation**”, collectively the “**Auction Confirmations**”) issued by the People’s Court of Gaoyi County (the “**Court**”). Pursuant to the Auction Confirmations, (i) the entire ownership in the land use right held by Shijiazhuang Zerui Education Technology Co., Ltd.\* (石家莊澤瑞商業發展有限公司) (“**Shijiazhuang Zerui Shangye**”), one of the PRC operating entities of the Company, of Land IV, a land parcel located at 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.; and (ii) the entire ownership in the land use right held by Shijiazhuang Zerui Education and Technology Co., Ltd.\* (石家莊澤瑞教育科技有限公司) (“**Shijiazhuang Zerui**”), one of the PRC operating entities of the Company, of the Land, a land parcel located at the south of Wancheng Village\* (萬城村), Wancheng Town\* (萬城鎮), Gaoyi County, Shijiazhuang, Hebei Province, the PRC, with a total area of 21,324.05 sq.m. has been auctioned off to (i) Shijiazhuang Jiahetai Property Services Co., Ltd.\* (石家

莊嘉闔泰物業服務有限公司) (“**Jiahetai Property**”); and (ii) Shijiazhuang Yingteng Trading Co., Ltd.\* (石家莊盈騰教育科技有限公司), respectively, at the auction price of RMB31,404,800 and RMB9,744,000, respectively (the “**Auction**”).

## **BACKGROUND INFORMATION OF THE AUCTION**

In July 2024, Shijiazhuang Zerui entered into a loan agreement with Jiahetai Property, pursuant to which Jiahetai Property agreed to grant a loan in the principal amount of RMB12.50 million to Shijiazhuang Zerui, and Shijiazhuang Saintach Education and Technology Co., Ltd.\* (石家莊新天際教育科技有限公司) (“**Saintach Education**”) entered into a loan agreement with Shijiazhuang Hengfeng Pawnshop Company Limited\* (石家莊恒豐典當有限公司) (“**Hengfeng Pawnshop**”), pursuant to which Hengfeng Pawnshop agreed to grant a loan in the principal amount of RMB12.50 million to Saintach Education. In respect of the aforesaid loans, Shijiazhuang Zerui Shangye acted as a guarantor and pledged the land use rights of Land IV under its name to Jiahetai Property and Hengfeng Pawnshop as security, respectively. Due to government regulation, Shijiazhuang Zerui and Saintach Education failed to repay the principal and interest to Jiahetai Property and Hengfeng Pawnshop as scheduled in the contract, and Hengfeng Pawnshop exercised its right as creditor and put the collateral (i.e. the land use rights of Land IV) to auction. The proceeds from the Auction shall first be used to repay the principal and interest in full satisfaction of the outstanding amount owed to Jiahetai Property, and the remaining balance shall be used to repay the principal and interest in full satisfaction of the outstanding amount owed to Hengfeng Pawnshop.

In addition, in June 2024, Shijiazhuang Zerui entered into a loan agreement with Hengfeng Pawnshop, pursuant to which Hengfeng Pawnshop agreed to grant a loan in the principal amount of RMB10.00 million to Shijiazhuang Zerui and Shijiazhuang Zerui pledged the land use rights of the Land under its name to Hengfeng Pawnshop as security. Due to government regulation, Shijiazhuang Zerui failed to repay the principal and interest to Hengfeng Pawnshop as scheduled in the contract, and Hengfeng Pawnshop exercised its right as creditor and put the collateral (i.e. the land use rights of the Land) to auction. The proceeds from the Auction shall be used to repay the principal and interest in partial satisfaction of the outstanding amount owed to Hengfeng Pawnshop.

## **FINANCIAL IMPACT OF THE AUCTION ON THE GROUP**

Immediately prior to the Auction, Shijiazhuang Zerui Shangye is the owner in the land use rights of Land IV and Shijiazhuang Zerui is the owner in the land use rights of the Land. Immediately after the Auction, Shijiazhuang Zerui Shangye will no longer hold any interest in land use rights of Land IV and Shijiazhuang Zerui will no longer hold any interest in the land use rights of the Land. Based on the information available to the Board and the management accounts of the Group as at 31 March 2025, the carrying amount of the land use rights of Land IV and the Land was RMB58,437,220.00 and RMB18,133,001.89, respectively.

As the Group has no operation on Land IV and the Land, the Board is of the view that the Auction has no material impact on the daily operation of the Group.

**The Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 14 April 2025

*As at the date of this announcement, the chairman of the Board and the non-executive Director is Mr. Li Yasheng; the executive Directors are Ms. Liu Hongwei, Mr. Li Hua, Mr. Ren Caiyin, Ms. Yang Li and Ms. Wu Huan; and the independent non-executive Directors are Mr. Guo Litian, Mr. Yao Zhijun and Mr. Nan Zhenxing.*

\* *for identification purposes only*