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XJ International Holdings Co., Ltd.

希教國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1765)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE TARGET SUBJECTS

THE DISPOSAL

The Board is pleased to announce that, on 11 August 2025 (after trading hours), the Purchaser, the Vendor and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to transfer, and the Purchaser has conditionally agreed to acquire, 100% equity interests in the Target Company and interests in its subsidiary entities at the Transfer Consideration provisionally set at approximately RMB21.17 million; and the Purchaser has conditionally agreed to make repayment of the Shareholder's Debt to the Vendor and its related parties on behalf of the Target Subjects with the tentative payment amount of approximately RMB51.10 million and the tentative payment amount of other debts provisionally set at approximately RMB27.72 million, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement, and the Purchaser has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations of the Target Subjects in accordance with the Equity Transfer Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the total proceeds of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Completion is subject to the fulfilment and/or waiver of the conditions precedent, the Disposal may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).

INTRODUCTION

The Board is pleased to announce that, on 11 August 2025 (after trading hours), the Purchaser, the Vendor and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to transfer, and the Purchaser has conditionally agreed to acquire, 100% equity interests in the Target Company and interests in its subsidiary entities at the Transfer Consideration provisionally set at approximately RMB21.17 million; and the Purchaser has conditionally agreed to make repayment of the Shareholder's Debt to the Vendor and its related parties on behalf of the Target Subjects with the tentative payment amount of approximately RMB51.10 million and the tentative payment amount of other debts provisionally set at approximately RMB27.72 million, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement, and the Purchaser has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations of the Target Subjects in accordance with the Equity Transfer Agreement.

MAJOR TERMS OF THE DISPOSAL

Date: 11 August 2025

Vendor: Chengdu Dingtaiheng Enterprise Management Co., Ltd.* (成都鼎泰亨企業管理有限公司)

Purchaser: Guilin Shanshui No.1 Hotel Management Co., Ltd.* (桂林山水壹號酒店管理有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

Subject matter

Pursuant to the Equity Transfer Agreement, (i) the Vendor has conditionally agreed to transfer and the Purchaser has conditionally agreed to purchase the Target Subjects; and (ii) the Purchaser has conditionally agreed to make repayment of the Shareholder's Debt to the Vendor and its related parties on behalf of the Target Subjects, the amount of which is to be finalised by the Vendor and the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement.

Consideration and basis of consideration

The total consideration of the Disposal is RMB72.28 million (equivalent to approximately HK\$78.79 million) to be settled in cash, which is derived from the total of the Transfer Consideration (being the Total Valuation after deducting the Shareholder's Debt and other debts) plus the Shareholder's Debt. The Total Valuation represents the assessed value of the Target Subjects, amounting to RMB100 million (equivalent to approximately HK\$109 million). The Shareholder's Debt represents the debts owed by the Target Subjects to the Vendor and its affiliates, tentatively quantified at approximately RMB51.10 million (equivalent to approximately HK\$55.70 million), and other debts refer to all remaining liabilities of the Target Subjects, tentatively quantified at approximately RMB27.72 million (equivalent to approximately HK\$30.21 million).

In order to expedite the transaction and recover part of the funds while ensuring that the Target Company and its subsidiary entities can maintain normal operations, the Total Valuation is determined based on the Company's historical investment cost in the Target Company and its subsidiary entities.

While the Total Valuation remains fixed and non-adjustable, the amount of the Shareholder's Debt and other debts may be adjusted based on the total amount of debts owed by the Target Subjects to the Vendor on the Closing Date. As of the date of this announcement, there has been no adjustment to the Shareholder's Debt and other debts. It is expected that there will be no material changes to the amount of other debts between the date of the Announcement and the Closing Date, and accordingly, the total consideration receivable by the Company is not expected to have any material change. The Company has also conducted comprehensive disclosure of the financial situation of the Target Subjects to the Purchaser to minimize the likelihood of any adjustment.

Conditions precedent

Completion of the Disposal is subject to the following conditions precedent being fulfilled, including but not limited to, the completion of the payment of Transfer Consideration and the repayment amount of Shareholder's Debt as determined by the Vendor and the Target Subjects on the Closing Date.

Payment terms

The payment for the Transfer Consideration and repayment of the Shareholder's Debt to be made by the Purchaser pursuant to the Equity Transfer Agreement shall be paid in instalments as follows:

1. within 5 business days after signing of the Equity Transfer Agreement, the Purchaser shall pay to the Vendor RMB40 million (equivalent to approximately HK\$43.60 million, including deposit of RMB20 million), being approximately 55.34% of the total consideration of the Disposal, to the designated bank account of the Vendor. Upon receipt of the payment, the Vendor shall cooperate to handle the transfer of 100% equity interests in the Target Company to the Purchaser, and the Purchaser is required to grant the Company a pledge over the entire 100% equity interest as security which takes priority over other claims and maintain such pledge until full payment of all remaining and outstanding amount of the Transfer Consideration and the Shareholder's Debt; and
2. on or before 31 October 2025, the Purchaser shall pay the balance of the total consideration of the Disposal of approximately RMB32.28 million (equivalent to approximately HK\$35.19 million) to the designated bank account of the Vendor. Upon receipt of the payment, the Vendor shall release all pledges of the equity interests.

Upon Completion, the Target Subjects will cease being a non-wholly owned subsidiary and a consolidated affiliated entities of the Group, and the Purchaser will hold the Target Subjects entirely.

The payment terms for the Total Valuation under the Equity Transfer Agreement have been structured to align with commercial best practices and the Company's financial needs, and were arrived at after arm's length negotiations between the Vendor and the Purchaser, taking into account prevailing market practices and the current payment terms being the most favourable for the Company and the Shareholders. As detailed above, the Purchaser will provide an irrevocable joint and several guarantee and a pledge as part of the security arrangements of the Disposal to safeguard the Company's interests. After careful consideration, the Board believes that the payment arrangement is commercially fair and reasonable, the associated risks are appropriately mitigated, and the payment terms align with the best interests of the Company and its Shareholders.

Liability for breach of contract

1. If the Purchaser fails to pay the Transfer Consideration and repayment of the Shareholder's Debt to the Vendor as stipulated in the Equity Transfer Agreement, it shall pay a penalty for breach of contract to the Vendor of 0.03% per day on the overdue amount of the current period for each day of delay; if the delay exceeds 60 days, the Vendor has the right to forfeit the deposit of RMB20 million as penalty.

2. If the Vendor fails to perform the obligation to change the equity interests of the Target Company as stipulated in the Equity Transfer Agreement, it shall pay a penalty to the Purchaser for breach of contract of 0.03% per day on the amount received for each day of delay; if the Vendor has delayed the payment for more than 60 days, the Purchaser has the right to unilaterally terminate the Equity Transfer Agreement and demand the Vendor to refund twice the deposit (i.e. RMB40 million), in addition to paying interest on the funds held at a rate of 0.03% per day based on the amount already received.
3. If the Target Subjects fails to repay the loans from financial institutions on time, resulting in the Vendor (including its affiliated parties) assuming guarantee liability externally, the Purchaser and the Target Subjects shall reimburse the Vendor for the advanced funds within 10 business days upon receipt of the written notice from the Vendor. If repayment is delayed, the Target Subjects and the Purchaser shall pay the Vendor interest on the advanced funds at a rate of 0.03% per day for each day of delay until the full amount is repaid.
4. If the Purchaser fails to timely fulfill its obligation to make full capital contributions to the Target Company, thereby causing the Vendor to assume the responsibility for making up the capital contributions, the Vendor shall have the right to seek reimbursement from the Purchaser for the full amount of such funds after assuming such responsibility. Furthermore, the Purchaser shall pay the Vendor interest on the use of funds at a rate of 0.03% per day based on the amount advanced by the Vendor. The interest calculation period shall commence from the date the Vendor assumes the responsibility for making up the capital contributions and shall continue until the date the Purchaser actually pays such amount.
5. The losses stipulated in the Equity Transfer Agreement include reasonable expenses incurred by the non-defaulting party to protect its own rights and interests, such as case acceptance fees, preservation fees, guarantee fees, assessment fees, execution fees, legal fees, travel expenses, and other related expenses.
6. Any grace or concession granted by the Vendor to any party under the Equity Transfer Agreement, or any deferral of the exercise of any rights under the Equity Transfer Agreement, shall not be construed as a waiver by the Vendor of the rights and benefits conferred by the Equity Transfer Agreement and by law, nor shall it be construed as a waiver of any subsequent breach or non-performance.

Guarantee

The Purchaser has agreed to provide an irrevocable joint and several guarantee for the performance by, and the obligations and liabilities of the Target Subjects under the Equity Transfer Agreement, subject to the terms and conditions as set out therein.

The Purchaser has agreed to pledge 100% equity interests in the Target Company after it obtains 100% equity interests in the Target Company in favour of the Vendor or the party designated by the Vendor as security for the performance of the Purchaser's obligations under the Equity Transfer Agreement pursuant to the relevant share pledge agreement and complete the relevant registration procedures of such pledge. The Vendor shall release the pledged equity interests in the Target Company after the Purchaser's full payment of the Transfer Consideration and the repayment amount of the Shareholder's Debt.

INFORMATION OF THE PURCHASER

The Purchaser is a company established under the laws of the PRC with limited liability in 2021, mainly engaged in businesses such as hotel management, property management, and commercial complex management services.

To the best of the Directors' knowledge, information and belief (having made all reasonable enquiries) and based on the information provided, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company is an investment holding company and its subsidiaries (including its consolidated affiliated entities) are principally engaged in private higher education.

The Vendor is a limited liability company established under the laws of the PRC on 12 July 2019, and is a wholly-owned subsidiary of the Group.

INFORMATION OF THE TARGET SUBJECTS

The Target Company is a company incorporated in the PRC with limited liability and is held as to 100% by the Group, mainly engaged in education management and education industry investment. The table below sets forth the financial information of the Target Subjects based on the unaudited consolidated financial statement of the Target Subjects for the two years ended 31 August 2023 and 2024:

	For the year ended 31 August 2023 <i>RMB'000</i> (Unaudited)	For the year ended 31 August 2024 <i>RMB'000</i> (Unaudited)
Profit/(loss) before income tax	5,638	(3,145)
Profit/(loss) after income tax	5,634	(3,145)

The unaudited consolidated net asset value of the Target Subjects as at 31 August 2024 was RMB27 million (equivalent to approximately HK\$29.43 million).

CREDIT ASSESSMENT

The Company has performed a comprehensive credit risk assessment of the Purchaser before entering into the Equity Transfer Agreement. Our Company has verified the information provided by the Purchaser, including but not limited to the Purchaser's business license and articles of association. The Purchaser's registered capital is RMB10 million. The actual controlling party of the Purchaser is Guilin Urit Electronics Group Co., Ltd. (桂林優利特電子集團有限公司), a well-known local enterprise with strong financial capabilities and a solid reputation.

Additionally, our Company has conducted a credit assessment of the Purchaser using publicly available resources (including the National Enterprise Credit Information Publicity System, China Judgments Online, and the China Enforcement Information Disclosure Network). The search results indicate that the Purchaser is not involved in any unresolved litigation or listed as a judgment debtor. Based on this assessment, we consider the Purchaser to have a favorable credit standing and sufficient financial capacity to fulfill its obligations under the sales agreement.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Target Company will cease being a non-wholly owned subsidiary of the Group, and its financial results, assets and liabilities will cease being consolidated into the consolidated financial statements of the Group. It is estimated that, upon completion of the Disposal, the Company will record an unaudited loss of approximately RMB4 million (equivalent to approximately HK\$4.36 million) from the Disposal, which was based on the Transfer Consideration. The Company's estimated profit or loss from the Disposal is unaudited and may vary upon completion of the Disposal. The Group intends to utilize the net proceeds from the Disposal for the improvement of operation condition of its existing schools and satisfy the needs for basic operation condition.

The calculations are only estimates provided for illustrative purposes. Shareholders should note that the actual amount of loss on the Disposal to be recorded by the Company will be subject to review by the auditors of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The existing premises and conditions of the Target Company and its subsidiary entities are inadequate to satisfy their business operations and requirements, necessitating additional capital investment. Having regard to the prevailing market conditions and the current situation of the Company, providing further funding to support the Target Company's development would place an undue burden on the Company. To ensure the sustainable growth of the Target Company and its subsidiaries, the Company has responsibly decided to proceed with the Disposal.

This Disposal is conducive to the Company in recovering part of the funds to resolve the issues of debt financing and working capital. Having considered the reasons for and benefits of the Disposal as mentioned above, the Directors are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and the Disposal is in the interest of the Company and its Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the total proceeds of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Closing Date”	within five (5) business days after the execution of the Equity Transfer Agreement, by which day the Purchaser shall have made payment of RMB40 million to the designated account of the Vendor pursuant to the terms and conditions of the Equity Transfer Agreement
“Company” or “our Company”	XJ International Holdings Co., Ltd. (希教國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of our Company
“Disposal”	the disposal of the Target Subjects by the Vendor to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement

“Equity Transfer Agreement”	the equity transfer agreement dated 11 August 2025 entered into among the Vendor, the Purchaser and the Target Company, pursuant to which the Vendor shall transfer and the Purchaser shall acquire the Target Equity Interests and the Target Subjects and the Purchaser shall make repayment of the Shareholder’s Debt to the Vendor on behalf of the Target Subjects
“Group”	our Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party(ies) independent of, and not connected with, the Company and its connected persons which has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Purchaser”	Guilin Shanshui No.1 Hotel Management Co., Ltd.* (桂林山水壹號酒店管理有限公司), a company established under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Debt”	the debt owed by the Target Subjects to the Vendor and its related parties provisionally set at RMB51.10 million (equivalent to approximately HK\$55.70 million) with the specific amount to be adjusted based on the total amount of debts owed by the Target Subjects on the Closing Date
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Xi’an Changdian Education Management Co., Ltd.* (西安長電教育管理有限公司), a wholly-owned subsidiary of the Group and is held as to 100% by the Group

“Target Equity Interests”	100% equity interests in the Target Company and interests in its subsidiary entities
“Target Subjects”	the Target Company and its subsidiary entities
“Total Valuation”	the Transfer Consideration, the Shareholder’s Debt and other debts with the total amount of RMB100 million (equivalent to approximately HK\$109 million)
“Transfer Consideration”	the amount of the Total Valuation after deducting the Shareholder’s Debt and other debts
“Vendor”	Chengdu Dingtaiheng Enterprise Management Co., Ltd.* (成都鼎泰亨企業管理有限公司), a limited liability company established under the laws of the PRC on 12 July 2019, and a wholly-owned subsidiary of the Group
“%”	per cent

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

* *For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.09. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

By Order of the Board
XJ International Holdings Co., Ltd.
Zhang Bing
Chairman and non-executive Director

Hong Kong, 11 August 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Deng Yi, Mr. Wang Huiwu and Ms. Wang Xiu; the non-executive Directors of the Company are Mr. Zhang Bing, Mr. Xu Changjun and Mr. Wang Xiaowu; and the independent non-executive Directors of the Company are Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan.