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China Science and Education Industry Group Limited
中國科教產業集團有限公司

(Formerly known as “China Vocational Education Holdings Limited 中國職業教育控股有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1756)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE ENTERING INTO OF
THE 2025 CONSTRUCTION SERVICES FRAMEWORK AGREEMENT**

THE 2025 CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

On 10 August 2025, the Company and Huali Construction entered into the 2025 Construction Services Framework Agreement regarding the provision of the construction and decoration services for the Group’s school campuses and comprehensive academic buildings and/or dormitories located in the Jiangmen and Zengcheng school campuses in the PRC for a term commencing from the Effective Date until 31 August 2028 (both days inclusive) and set the annual caps in respect of the continuing connected transactions for the three financial years ending 31 August 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Huali Construction was 99.97% and 0.03% directly owned by Mr. Zhang and Mr. Zhang Zhifan, the brother of Mr. Zhang, respectively. Huali Construction is therefore a connected person of the Company and the transactions contemplated under the 2025 Construction Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the highest applicable percentage ratios in respect of the highest proposed annual cap under the 2025 Construction Services Framework Agreement is expected to exceed 5%, the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

GENERAL

A circular containing, among other things, (i) further information of the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps); (ii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 5 September 2025 as additional time is required for the Company to prepare the relevant information for inclusion in the circular.

BACKGROUND

On 10 August 2025, the Company and Huali Construction entered into the 2025 Construction Services Framework Agreement regarding the provision of the construction and decoration services for the Group's school campuses and comprehensive academic buildings and/or dormitories located in the Jiangmen and Zengcheng school campuses in the PRC (the “**Construction Services**”) for a term commencing from the Effective Date until 31 August 2028 (both days inclusive) and set the annual caps in respect of the continuing connected transactions for the three financial years ending 31 August 2028.

The principal terms of the 2025 Construction Services Framework Agreement are set out as below:

Date	:	10 August 2025
Parties	:	(a) the Company; and (b) Huali Construction
Subject matter	:	Huali Construction and/or its subsidiaries have agreed to, during the term of the 2025 Construction Services Framework Agreement, provide the construction services and decoration services. The Group and Huali Construction (or its subsidiaries) will enter into a separate contract for each construction project.
Term	:	Commencing from the Effective Date until 31 August 2028 (both days inclusive).

Pricing policy	: The construction and/or decoration fees of each project will be determined with reference to the construction work cost report (the “ Construction Work Cost Report ”) as prepared by an independent licensed construction cost engineer. When determining the pricing of each project, the independent licensed construction cost engineer will make reference to the following factors, including but not limited to, (i) market prices, service conditions and the charging basis for the same or similar services provided by other Independent Third Parties; (ii) the applicable law and guidance for civil and engineering works (such as the guidance of the Code of Valuation with Bill of Quantities of Construction Works (《建設工程工程量清單計價規範》) ¹ (national level) and Guangdong Comprehensive Quota of Housing Construction and Decoration Projects (《廣東省房屋建築與裝飾工程綜合定額》) (provincial level) for civil engineering works of the Company; and the guidance of the Code of Valuation with Bill of Quantities of Construction Works (《建設工程工程量清單計價規範》) (national level) and Guangdong Comprehensive Quota of Installation Projects (《廣東省安裝工程綜合定額》) ² (provincial level) for installation works of the Company including fire safety, water supply and drainage, indoor electrical, low current embedding and lightning protection works), and updates on such guidance materials issued by the regulatory authorities from time to time; (iii) the prices of major materials to be used in the construction projects, which will be based on the construction project information prices announced by the Cost Management Department of the Housing and Urban-Rural Development Bureau (住房及城鄉建設局造價管理部門) of the project location during the construction period and if such information is not available, the market price of the major materials; and (iv) construction plan of the project.
Conditions precedent	: The 2025 Construction Services Framework Agreement shall become effective on the Effective Date.

Notes:

1. Issued by the Ministry of Housing and Urban-Rural Development Department of the PRC* (中華人民共和國住房和城鄉建設部)
2. Issued by the Housing and Urban-Rural Development Department of Guangdong Province* (廣東省住房和城鄉建設廳)

PREVIOUS TRANSACTION AMOUNTS UNDER THE CONSTRUCTION SERVICES FRAMEWORK AGREEMENT AND THE SUPPLEMENTAL CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

The Company has entered into the Construction Services Framework Agreement with Huali Construction on 17 July 2020 and the Supplemental Construction Services Framework Agreement on 12 May 2023 for the construction of Group's school campuses in the PRC. The Company confirms that the construction services provided under the Construction Services Framework Agreement and the Supplemental Construction Services Framework Agreement were for different construction projects and hence the construction projects involved were different from and do not relate to the Construction Services under the 2025 Construction Services Framework Agreement. Furthermore, the construction projects under the Construction Services Framework Agreement and the Supplemental Construction Services Framework Agreement have been completed as at the date of this announcement.

The annual caps and the transaction amounts for the previous three financial years under the Construction Services Framework Agreement and the Supplemental Construction Services Framework Agreement are set out below for reference:

Financial year	Annual caps <i>(RMB' million)</i>	Transaction amounts <i>(RMB' million)</i>	Utilization rate
From 1 September 2021 to 31 August 2022	414.4	35.2	8.5%
From 1 September 2022 to 31 August 2023	315.0	182.0	57.8%
From 1 September 2023 to 31 August 2024	126.0	41.1	32.6%

For further details in relation to the terms of the Construction Services Framework Agreement and the Supplemental Construction Services Framework Agreement, the transaction amounts and the annual caps thereunder, please refer to the announcements of the Company dated 17 July 2020 and 12 May 2023, and the circulars of the Company dated 28 August 2020 and 12 July 2023.

THE ANNUAL CAPS UNDER THE 2025 CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

Set forth below is the proposed annual caps of the 2025 Construction Services Framework Agreement:

	For the year ending 31 August		
	2026	2027	2028
	<i>(RMB'million)</i>	<i>(RMB'million)</i>	<i>(RMB'million)</i>
Service fees for:			
(a) planned construction and decoration work projects	327.00	311.00	272.00
(b) ad hoc unplanned work projects	33.00	31.00	28.00
Total:	360.00	342.00	300.00

The Annual Caps are determined after arm's length negotiations between the Company and Huali Construction, consist of the service fees for: (i) planned construction and decoration work projects; and (ii) ad hoc unplanned work projects.

Service fees for planned construction and decoration work projects

In relation to the service fees for planned construction and decoration work projects, it is determined with reference mainly to: (i) the estimated number construction and decoration projects under the 2025 Construction Services Framework Agreement; and (ii) the estimated construction/decoration fees for each project. It is expected that the Group will carry out eight main and interior decoration projects and one interior decoration project (for completed buildings) during the term of the 2025 Construction Services Framework Agreement, details of which are set forth below:

School campus	Total GFA (sq.m.)	Total contract sum (RMB' million)	Estimated construction/decoration fee for the year ending 31 August		
			2026 (RMB' million)	2027 (RMB' million)	2028 (RMB' million)
Main and interior decoration projects					
Medical School Practice Building No. 1 (Senior Citizens' University)* (醫學 院實習大樓1號(老人大學))	36,812.62	154.61	55.22	99.39	/
Medical College Affiliated Hospital (Rehabilitation Hospital)* (醫學院附屬醫院 (康復醫院))	46,292.79	194.43	/	69.44	124.99
Laboratory Building No. 3 (Medical Laboratory Building)* (實驗樓3號(醫學 實驗樓))	14,314.15	60.12	/	60.12	/
Dormitory Building A6* (A6宿舍樓)	54,429.48	228.60	/	81.64	146.96
Yinhuwan Campus Swimming Pool* (銀湖灣校區游泳館)	3,197.20	7.99	7.99	/	/

School campus	Total GFA (sq.m.)	Total contract sum (RMB' million)	Estimated construction/decoration fee for the year ending 31 August		
			2026 (RMB' million)	2027 (RMB' million)	2028 (RMB' million)
Indoor decoration and surrounding facilities of the Science and Technology Building* (科創樓室內精裝 修及周邊配套)	18,756.99	26.26	26.26	/	/
Zengcheng School Campus Swimming Pool* (增城校區 游泳館)	2,746.71	6.63	6.63	/	/
Dormitory Building No. 3* (3號宿舍樓)	47,232.3	198.38	198.38	/	/
<i>Interior decoration project</i>					
Renovation of dormitory buildings 48#, 49# (C4, C7) *(48#、49# (C4、C7) 宿舍 樓改造)	13,308.00	32.20	32.20	/	/
Total:	237,090.25	909.22	326.68	310.60	271.95

The estimated construction and/or decoration fee for each project is determined with reference to: (i) the historical service fees in respect of the services provided by Huali Construction and/or its subsidiaries for each of the three financial years ended 31 August 2023; (ii) the average historical actual construction costs and characteristic of each building to be built and decorated, including but not limited to area and local economic conditions, capacity and function of these buildings; (iii) the amount of construction fees set out in the guidance of the Code of Valuation with Bill of Quantities of Construction Works (《建設工程工程量清單計價規範》), the Guangdong Comprehensive Quota of Housing Construction and Decoration Projects (《廣東省房屋建築與裝飾工程綜合定額》) and the Guangdong Comprehensive Quota of General Installation Projects (《廣東省通用安裝工程綜合定額》), which form the basis of the Construction Work Cost Report and the construction/decoration fees for each project; and (iv) the anticipated inflation and increase in development costs (including labor costs).

Service fees for ad hoc unplanned work projects

In relation to the service fees for ad hoc unplanned work projects, it serves as a buffer and is set at approximately 10% of the estimated service fees for the planned construction and decoration work projects.

INFORMATION OF THE GROUP AND HUALI CONSTRUCTION

The Company and the Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is a large-scale private higher education and vocational education group in South China, offering applied science-focused and practice-oriented programs and vocational education and trainings.

Huali Construction

Huali Construction is a limited liability company established in the PRC and is principally engaged in the provision of construction services. As at the date of this announcement, Huali Construction was 99.97% and 0.03% directly owned by Mr. Zhang and Mr. Zhang Zhifan, the brother of Mr. Zhang, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 CONSTRUCTION SERVICES FRAMEWORK AGREEMENT

Huali Construction is principally engaged in the provision of construction and decoration services, and has the necessary qualifications, capabilities and experience to provide construction services for the Group's school campuses in the PRC. In the past few years, Huali Construction has provided construction and decoration services to the Group for the building of existing and new campuses. For further details, please refer to the paragraph headed "Previous Transaction Amounts under the Construction Services Framework Agreement and the Supplemental Construction Services Framework Agreement" above.

Considering the quality of works delivered by Huali Construction and the collaboration history between Huali Construction and the Group, the Company considers that Huali Construction is familiar with the quality standard of the Group and will be able to satisfy the needs of the Group efficiently and reliably with minimal disruption to the Group's operations and internal procedures. Therefore, the Company is of the view that it is beneficial for the Group to engage Huali Construction for the new construction and decoration works.

The Directors (other than (i) Mr. Zhang and Mr. Zhang Yude (the son of Mr. Zhang) who have abstained from voting on the relevant board resolutions; and (ii) the independent non-executive Directors whose view will be formed after taking into account the advice to be given by the Independent Financial Adviser) are of the view that the transactions contemplated under the 2025 Construction Services Framework Agreement are expected to be entered into in the ordinary and usual course of business of the Group, the 2025 Construction Services Framework Agreement (including the Annual Caps) was entered into on normal commercial terms after arm's length negotiations between the parties and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group has adopted the following internal control procedures to govern the transactions contemplated under the 2025 Construction Services Framework Agreement (including the Annual Caps):

- (i) the Company's finance department will closely monitor and record the actual transaction amounts of the transactions contemplated under the 2025 Construction Services Framework Agreement to ensure that the Annual Caps will not be exceeded;
- (ii) the Company will review and examine the basis of the construction fee as suggested in the Construction Work Cost Report to ensure the construction fee is in line with the applicable law and pricing guideline imposed by the government authorities;
- (iii) the Company's auditor will review the transactions contemplated under the 2025 Construction Services Framework Agreement on an annual basis and confirm whether (a) such transactions have been approved by the Board; (b) such transactions were entered into in accordance with the terms of the 2025 Construction Services Framework Agreement; and (c) the Annual Caps have been exceeded; and

- (iv) the independent non-executive Directors will review the transactions contemplated under the 2025 Construction Services Framework Agreement on an annual basis to confirm whether such transactions are conducted (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the terms of the 2025 Construction Services Framework Agreement that are fair and reasonable and in the interests of the Shareholders as a whole.

The Board (including the independent non-executive Directors) believes that the above internal control procedures are appropriate and can ensure that the transactions will be carried out in accordance with the terms of the 2025 Construction Services Framework Agreement and that the fees to be charged by Huali Construction and/or its subsidiaries will not be less favourable than those charged by Independent Third Parties for similar transactions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Huali Construction was 99.97% and 0.03% directly owned by Mr. Zhang and Mr. Zhang Zhifan, the brother of Mr. Zhang, respectively. Huali Construction is therefore a connected person of the Company and the transactions contemplated under the 2025 Construction Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the highest applicable percentage ratios in respect of the highest proposed annual cap under the 2025 Construction Services Framework Agreement is expected to exceed 5%, the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Since Huali Construction is 99.97% directly owned by Mr. Zhang as at the date of this announcement, Mr. Zhang and Mr. Zhang Yude, an executive Director and the son of Mr. Zhang, have abstained from voting on the board resolutions to approve the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps). Save as disclosed above, none of the Directors has material interest in, or is required to abstain from voting on resolutions of the Board in relation to the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps).

As Mr. Zhang has a material interest in the 2025 Construction Services Framework Agreement, Mr. Zhang and his associates (including Huali Education, a controlling shareholder of the Company which held 900,000,000 Shares (representing 75% of the issued share capital of the Company) as at the date of this announcement) will be required to abstain from voting on the resolutions in relation to the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) to be proposed at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders in respect of the transactions contemplated under the 2025 Construction Services Framework Agreement. Rainbow Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information of the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps); (ii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 5 September 2025 as additional time is required for the Company to prepare the relevant information for inclusion in the circular.

DEFINITIONS

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

“2025 Construction Services Framework Agreement”	the construction service framework agreement dated 10 August 2025 and entered into between the Company and Huali Construction, to provide construction and decoration services for the Group’s school campuses and comprehensive academic buildings and/or dormitories located in the Jiangmen and Zengcheng school campuses in the PRC for the period from the Effective Date until 31 August 2028 (both days inclusive)
“Annual Caps”	the annual caps for the transactions contemplated under the 2025 Construction Services Framework Agreement for each of the three financial years ending 31 August 2028

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Science and Education Industry Group Limited 中國科教產業集團有限公司 (formerly known as China Vocational Education Holdings Limited (中國職業教育控股有限公司)), a company incorporated in the Cayman Islands with limited liability and 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 Services Framework Agreement”	the framework agreement dated 17 July 2020 and entered into between the Company and Huali Construction (as amended and supplemented by the Supplemental Construction Services Framework Agreement)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the date falling upon the passing of the relevant resolutions with respect to the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) by the Independent Shareholders at the EGM
“EGM”	an extraordinary general meeting to be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“GFA”	Gross Floor Area
“Group”	the Company and its subsidiaries

“HL-Diamond Trust”	HL-Diamond Trust is a discretionary trust established by Mr. Zhang as the settlor and with Mr. Zhang and his spouse and children as the beneficiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huali Construction”	Guangdong Huali Construction Co., Ltd.* (廣東華立建築有限公司), a limited liability company established in the PRC and was 99.97% and 0.03% directly owned by Mr. Zhang and Mr. Zhang Zhifan, the brother of Mr. Zhang, respectively as at the date of this announcement, and a connected person of the Company
“Huali Education”	Huali Education Holdings Limited, a limited liability company incorporated in the British Virgin Islands and wholly owned by HL-Diamond Limited, which is in turn controlled by UBS Trustees (B.V.I.) Limited as trustee of HL-Diamond Trust, and one of the controlling shareholders of the Company
“Independent Board Committee”	a committee of the Board (comprising all the independent non-executive Directors) to be formed for the purpose of advising the Independent Shareholders in respect of the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)

“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM for the relevant resolution with respect to 2025 Construction Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Zhang”	Mr. Zhang Zhifeng, the chairman of the Board, an executive Director and one of the controlling shareholders of the Company
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the ordinary share(s) of US\$0.0001 each of the Company
“South China”	Guangdong Province, Guangxi Province and Hainan Province of the PRC
“sq.m”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Construction Services Framework Agreement”	the supplemental framework agreement dated 12 May 2023 and entered into between the Company and Huali Construction, pursuant to which, Huali Construction and/or its subsidiaries have agreed to revise the annual cap under the Construction Services Framework Agreement for the year ended 31 August 2023 and provide construction services for the Group’s school campuses in the PRC (including the existing campuses and the new campuses) for the period from 1 September 2023 until 31 August 2024 (both dates inclusive)
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
China Science and Education Industry Group Limited
ZHANG Zhifeng
Chairman

Hong Kong, 10 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Zhifeng, Mr. Ye Yaming, Mr. Zhang Yude and Mr. Xiao Xiaobing; and the independent non-executive directors of the Company are Ms. Chiu Lai Kuen Susanna MH JP, Mr. Yang Ying and Mr. Ding Yi.

* *English translation of names in Chinese which is marked with “*” in this announcement is for identification purposes only*