

Stock Code: 002607

Stock Abbr.: OFFCN EDU

Announcement No.:2022-033

## Offcn Education Technology Co., Ltd.

### 2021 Annual Report Summary

#### I. Important Information

This summary is extracted from the full annual report. In order to fully understand the Company's operating results, financial status and future development plans, investors are advised to read the full context of annual report carefully disclosed on the media designated by the China Securities Regulatory Commission (CSRC). The English version of this summary is provided together with the Chinese version. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

Except for the following directors, other directors attended the board meeting for reviewing the annual report in person

Name of director not present in person	Position of director not present in person	Reason of being not present in person	Name of trustee
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Notices from non-standard audit opinions

Applicable  Not applicable

Preplan of profit distribution of ordinary shares or preplan of increasing share capital by converting capital reserve during the reporting period reviewed by the board meeting

Applicable  Not applicable

The Company plans not to distribute cash dividends, bonus shares, nor to increase share capital by converting capital reserve.

Preplan of profit distribution of preferred shares during the reporting period reviewed and approved by the board meeting

Applicable  Not applicable

#### II. Basic Information about the Company

##### 1. Company profile

Stock Abbreviation	OFFCN EDU	Stock Code	002607
Listed Stock Exchange	Shenzhen Stock Exchange		
Contact Person	Board Secretary	Securities Affairs Representative	
Name	Gui Hongzhi	Gu Pan	
Office Address	Block B, Hanhua Century Mansion, No.23 Xueqing Road, Haidian District, Beijing	Block B, Hanhua Century Mansion, No.23 Xueqing Road, Haidian District, Beijing	
Fax	010-83433666	010-83433666	
Tel.	010-83433677	010-83433688	
Email	ir@offcn.com	ir@offcn.com	

## 2. The Company's main business and products during the reporting period

Offcn Edu is a large-scale multi-category vocational education institution, and it is also the pioneer and leader in the field of public service recruitment examination training in the country. The Company bravely undertakes the mission of the times, continues to create new markets, and serves the society with kindness and altruism.

Offcn Edu mainly serves knowledge-based employment population including college students, university graduates, and various professionals, aged 18 to 45. This huge group of hundreds of millions of people is spread throughout the country, cities and towns at all levels and in all walks of life. Employment and vocational ability improvement are their two core demands.

For hundreds of millions of knowledge-based people and based on their two core demands, the Company's main business covers three major sectors including training for public service recruitment examinations, college and high institution enrollment examinations and vocational ability enhancement, and it provides more than 100 categories of comprehensive vocational training service. The Company has more than 1,500 outlets across the country, covering more than 300 prefecture-level cities, and is steadily expanding into thousands of counties and universities.

After a long-term exploration and accumulation, Offcn Edu has owned a large-scale full-time R&D team of more than 2,000 people, a large-scale teaching team of more than 14,000 teachers, and a staff of more than 36,000 people. Relying on its outstanding team execution and nationwide vertical integrated fast response capability, the Company has developed into an innovation-driven enterprise platform.

1,508 Centralized branches  
in 31 provinces and 319 cities

36,143 Employees

14,590 Full-time teachers

2,452 Full-time R&D personnel



## 3. Key Accounting Information and Financial Indicators

### (1) Key accounting data and financial indicators in the recent three years

Does the Company need to adjust its financial data retrospectively or restate its accounting data of previous year?

Yes  No

Unit: RMB yuan

	Year End 2021	Year End 2020	Increase/Decrease Over Previous Year End	Year End 2019
Total assets	10,305,183,525.70	14,418,850,027.27	-28.53%	9,960,705,427.94
Net assets attributable to shareholders of the listed Company	1,888,818,754.20	4,275,127,793.20	-55.82%	3,431,545,903.82
	Year 2021	Year 2020	Increase/Decrease over the previous year	Year 2019
Operating income	6,911,723,331.79	11,202,494,295.04	-38.30%	9,176,129,995.89
Net profit attributable to shareholders of the listed Company	-2,369,509,039.00	2,304,357,742.74	-202.83%	1,804,548,688.01
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed Company	-2,485,630,452.04	1,867,289,479.85	-233.11%	1,700,369,663.16
Net cash flow from operating activities	-4,097,961,548.90	4,882,469,101.91	-183.93%	2,473,986,085.19
Basic earnings per share	-0.38	0.37	-202.70%	0.29
Diluted earnings per share	-0.38	0.37	-202.70%	0.29
Weighted average return on net assets	-76.88%	66.15%	-143.03%	60.71%

## (2) Quarterly key accounting data

Unit: RMB yuan

	The First Quarter	The Second Quarter	The Third Quarter	The Fourth Quarter
Operating income	2,051,691,383.47	2,804,306,880.03	1,445,195,855.92	610,529,212.37
Net profit attributable to shareholders of the listed Company	140,729,639.84	-237,892,148.87	-793,735,635.02	-1,478,610,894.95
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed Company	92,213,329.43	-262,118,353.21	-798,108,362.10	-1,517,617,066.16
Net cash flow from operating activities	-246,724,873.67	-692,366,584.28	-2,706,728,725.77	-452,141,365.18

Do the above financial indicators or their total differ significantly from those stated in the Company's disclosed quarterly and semi-annual reports?

Yes  No

## 4. Share capital and shareholders

(1) Number of ordinary shareholders and preferred shareholders with restored voting rights, and shareholdings of the top 10 shareholders

Unit: Share(s)

Total number of shareholders with ordinary shares at the end of the reporting period	158,831	Total number of shareholders with ordinary shares at the end of the previous month before the	153,843	Total number of preferred shareholders with restored voting rights at the end of the previous month before the disclosure date of	0	Total number of preferred shareholders with restored voting rights at the end of the previous month before the disclosure date of	0
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		disclosure date of the annual report		rights restored at the end of the reporting period		the annual report	
<b>Shareholdings of the top 10 shareholders</b>							
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held	Number of shares held with sales restrictions	Pledged, marked or Frozen		
					Status of shares	Number of shares	
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260	2,550,549,260	Pledged	770,000,000	
Li Yongxin	Domestic natural Person	18.35%	1,131,415,121	1,131,070,121	Pledged	476,150,000	
Wang Zhendong	Domestic natural person	13.83%	852,885,418	721,853,563	Pledged	431,013,878	
Beijing Aerospace Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	4.24%	261,280,477	0			
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	Domestic non-state-owned legal person	1.44%	89,117,723	89,117,723			
Beijing Offcn Future Information Consulting Center (Limited Partnership)	Domestic non-state-owned legal person	1.30%	80,000,000	0			
Zhou Xiayun	Domestic natural person	1.28%	78,848,640	0	Pledged	64,000,000	
Zhou Hui	Domestic natural person	1.17%	72,277,920	0	Pledged	25,480,000	
Beijing Guangyin Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	1.04%	64,355,896	0			
Zhou Li	Domestic natural person	0.78%	48,185,280	0			
Description of the above-mentioned shareholders' relationship or concerted actions	The Company's controlling shareholder and actual controller Lu Zhongfang and Li Yongxin are in a parent-child relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. Zhou Xiayun and Zhou Li have a father-daughter relationship. It is unknown whether there is an associated relationship among the above-mentioned other shareholders, and whether the above-mentioned shareholders belong to the parties acting in concert as stipulated in the <i>Administrative Measures on Disclosure of Information Disclosure of Shareholding Changes in Listed Companies</i> .						
Description of shareholders participating in the margin trading or short selling business (if any)	None						

(2) Number of preferred shareholders and shareholdings of the top 10 preferred shareholders

Applicable  Not applicable

There were no shareholdings of preferred shareholders in the Company during the reporting period.

(3) Block diagram of the property rights and control relationship between the Company and the

actual controllers



## 5. Existing bonds as of the approval date of the annual report

Applicable  Not applicable

## III. Significant events

### 1. The progress of the Company's non-public issuance of A Shares:

The Company held the meetings of Company's board of directors and supervisory committee, and the third extraordinary general meeting of shareholders in 2020 on November 23, 2020 and December 9, 2020, reviewed and approved the *Proposal on the Company's Compliance with the Conditions for Non-public Issuance of A Shares*, *Proposal on the Company's Plan of Non-Public Issuance of A Shares*, and *Proposal on the Company's Proposal of Non-Public Issuance of A Shares* and other proposals related to this non-public issuance.

On December 30, 2020, the Company announced the *Announcement on the Acceptance of Applications for Non-public Issuance of Shares by the China Securities Regulatory Commission* (Announcement No.: 2020-052).

On January 8, 2021, the Company announced the *Notice on Receiving a Feedback from the China Securities Regulatory Commission's Administrative License Project Review* (Announcement Number: 2021-002).

On January 27, 2021, the Company announced the *Report on the Reply to the Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review* and other documents. On the same day, the Company also announced the adjustments to the non-public issuance plan including the *Revised Proposal for Non-public Issuance of A Shares* reviewed and approved at the 17th meeting of the Fifth Board of Directors and the 14th Meeting of the Fifth Supervisory Committee.

On May 18, 2021, the Company issued the *Announcement on the Revised Reply to the First Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review* and the *Announcement on Receiving the Second Feedback from the China Securities Regulatory Commission's Administrative Licensing Project Review*.

On May 29, 2021, the Company issued the *Report on the Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review* and other documents. On the same day, the Company also issued the Adjustments to the non-public issuance plan including the *Second Revised Proposal for Non-public Issuance of A Shares* reviewed and approved at the 19th meeting of the Fifth Board of Directors and the 16th meeting of the Fifth Supervisory Committee.

On June 5, 2021, the Company issued the Announcement on the Revised Reply to the Second Feedback Notice from the China Securities Regulatory Commission Administrative Licensing Project Review and other documents.

On June 16, 2021, the Company's non-public issuance were reviewed and approved by the Issuance Review Committee of the China Securities Regulatory Commission.

On August 24, 2021, the Company issued the Announcement on Notice of the Suspension of the China Securities Regulatory Commission Administrative Licensing Application Review. Because the law firm hired for this issuance was filed and put under investigation by the China Securities Regulatory Commission for its services for other companies, the China Securities Regulatory Commission suspended the review of the Company's application for administrative license for this non-public issuance of shares.

On December 7, 2021, the Company issued the Announcement on Termination of the Non-public Issuance of Shares and Withdrawal of Application Documents. Considering the capital market environment, the development of fundraising projects, the actual situation of the Company, and the timing of financing, after prudent analysis and constant discussions with intermediaries, the Company decided to terminate the non-public issuance of A shares and withdraw the application documents.

## **2. The progress of the investigation launched by the China Securities Regulatory Commission into the Company:**

On December 15, 2021, the Company received the *Notice of Filing* (No. SR Filing 0232021010) from the CSRC. According to the *Securities Law of the People's Republic of China*, *Law of the People's Republic of China on Administrative Punishment* and other laws and regulations, the Company is suspected of failing to disclose related party transaction information and violating the laws and regulations of information disclosure. The CSRC decided to file a case against the Company.

On January 15, 2022, the Company issued the *Announcement on the Progress of the Investigation and Risk Warning* (No. 2022-006).

On February 15, 2022, the Company issued the *Announcement on the Progress of the Investigation and Risk Warning* (No. 2022-019).

On March 15, 2022, the Company issued the *Announcement on the Progress of the Investigation and Risk Warning* (No. 2022-022).

On April 24, 2022, the Company and the relevant parties received the *Prior Notice of Administrative Penalty*. The Anhui Securities Regulatory Bureau of the CSRC decided to give a warning to and impose a fine on the Company and the relevant parties. Specific information is stated in the announcement (No. 2022-031) disclosed on CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and other designated media.

On April 27, 2022, the Company and the relevant parties received the official Decision of Administrative Penalty from the Anhui Securities Regulatory Bureau, which determines Offcn Edu, its subsidiaries Beijing Offcn Education Technology Co., Ltd. and Liaoning Zhongcheng Real Estate Development Co.,Ltd. constitute a related-party relationship with Shaanxi Guancheng Industrial Co., Ltd., Beijing Chuangsheng Construction Decoration Engineering Co., Ltd., Shanghai Beiding Network Technology Co., Ltd., Ji'an Jingkai Lixiangxue Financial Information Service Co., Ltd. and Liaoning Hanhui Industrial Co., Ltd.. The total amount involved in related transactions was RMB 1232.395 million yuan, including RMB 196.335 million yuan in year 2019 and

RMB 1036.060 million yuan in year 2020, which account for 6.65% and 30.19% of the net assets of Offcn Edu in the latest period respectively. The Company did not disclose the above-mentioned information in accordance with relevant laws and regulations and there was a material omission of the Company's information disclosure. A warning was given to and a fine was imposed on the Company and the relevant persons responsible for the situation, and corresponding rectification is required. Specific information is stated in the announcement (No. 2022-032) disclosed by the Company on CNINFO (www.cninfo.com.cn) and other designated media for information disclosure.

Type of related-party transaction	Related party	Content of related-party transaction	Amount of related-party transactions in year 2019 (RMB)	Amount of related-party transactions in year 2020(RMB)	Amount of related-party transactions in year 2021(RMB)	Total(RMB)
Accepting the entrustment of related party for decoration	Beijing Chuangsheng Construction Decoration Engineering Co., Ltd.	Decoration fee	161,747,000.00	242,000,000.00	0.00	403,747,000.00
Accepting the transfer of assets from related party	Shaanxi Guancheng Industrial Co., Ltd.	Asset acquisition	0.00	383,060,000.00	0.00	383,060,000.00
Accepting the transfer of assets from related party	Liaoning Hanhui Industrial Co., Ltd.	Asset acquisition	0.00	200,000,000.00	0.00	200,000,000.00
Purchasing products and goods from the related party	Ji'an Jingkai Lixiangxue Financial Information Service Co., Ltd. / Shanghai Beiding Network Technology Co., Ltd.	Commission fee	34,588,038.03	210,728,611.86	183,144,220.00	428,460,869.89
<b>Total</b>			196,335,038.03	1,035,788,611.86	183,144,220.00	1,415,267,869.89