

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## CHINA CHUNLAI EDUCATION GROUP CO., LTD.

中國春來教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1969)

### VOLUNTARY ANNOUNCEMENT ENTERING INTO THE LOAN AGREEMENT

This is a voluntary announcement made by China Chunlai Education Group Co., Ltd. (the “**Company**”), together with its subsidiaries and consolidated affiliated entities, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to announce that on 22 June 2020, Shangqiu University\* (商丘學院), one of the Group’s operating schools in the People’s Republic of China, as borrower (the “**Borrower**”) and Zhongyuan Bank Co., Ltd., Shangqiu Branch\* (中原銀行股份有限公司商丘分行) as lender (the “**Lender**”) entered into a loan agreement (the “**Loan Agreement**”), pursuant to which the Lender has agreed to make available a term loan facility in an amount of RMB180,000,000 (the “**Loan**”) to the Borrower.

The principal terms of the Loan Agreement are summarised as follows:

#### THE LOAN AGREEMENT

Date	:	22 June 2020
Lender	:	Zhongyuan Bank Co., Ltd., Shangqiu Branch* (中原銀行股份有限公司商丘分行)
Borrower	:	Shangqiu University* (商丘學院)
Loan amount	:	RMB180,000,000
Purpose of the Loan	:	For the purchase of office supplies, books and electronic equipment
Term of the Loan	:	1 year, commencing on 22 June 2020
Interest	:	An annual interest rate of 5%, being 1.15% above the one-year loan prime rate promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China
Security	:	The Loan is secured by a guarantee provided by each of the Company, PRC Holdco and the School Sponsor (as defined below), and a pledge of account receivables by Shangqiu University* (商丘學院) in favour of the Lender

To the best knowledge, information, and belief of the Directors, the Lender and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

## **GUARANTEE**

On 22 June 2020, each of the Company, Henan Chunlai Education Technology Co., Ltd.\* (河南春來教育科技有限公司) (“**PRC Holdco**”) and Henan Shangqiu Chunlai Education Corporation\* (河南商丘春來教育集團) (the “**School Sponsor**”, both the PRC Holdco and the School Sponsor are the Group’s consolidated affiliated entities) entered into a guarantee agreement with the Lender (the “**Guarantee Agreements**”), pursuant to which each of the Company, PRC Holdco and the School Sponsor shall provide a guarantee in favour of the Lender for the Borrower’s liabilities under the Loan Agreement (including but not limited to the Loan, interest, damages, compensation, and fees incurred by the Lender in connection with any enforcement actions).

## **PLEDGE OF RECEIVABLES**

On 22 June 2020, Shangqiu University\* (商丘學院) entered into an account receivables pledge agreement with the Lender (the “**Pledge Agreement**”), pursuant to which Shangqiu University\* (商丘學院) agreed to pledge its account receivables in favour of the Lender for the Borrower’s liabilities under the Loan Agreement (including but not limited to the Loan, interest, damages, compensation, and fees incurred by the Lender in connection with any enforcement actions).

## **REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LOAN AGREEMENT**

By entering into the Loan Agreement, the Group can diversify its financing channels, replenish capital required for its operations and optimise the Group’s liability structure.

The terms of the Loan Agreement, the Guarantee Agreements and the Pledge Agreement were determined at after arm’s length negotiations between the parties thereto, and the Board considers that the terms of each of the Loan Agreement, the Guarantee Agreements and the Pledge Agreement were fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

## CONTINUED SUSPENSION OF TRADING

The Company published an announcement on 2 December 2019 stating its inability to comply with Rule 13.49 of the Listing Rules, to publish its annual results for the year ended 31 August 2019 no later than three months after the end of the financial year of the Company, i.e. on or before 30 November 2019. Shares of the Company have been suspended from trading since 2 December 2019 pursuant to Rule 13.50 of the Listing Rules. Further, on 13 January 2020, the Company announced that given the delay in the publication of the annual results for the year ended 31 August 2019, the annual report of the Company for the year ended 31 August 2019 (“**2019 Annual Report**”) would not be ready by 31 December 2019, and such delay in despatching the 2019 Annual Report constituted non-compliance with Rule 13.46(2)(a) of the Listing Rules. On 29 May 2020, the Company announced that given the delay in finalizing the required audit work in connection with the consolidated financial statements of the Group for the year ended 31 August 2019 and the delay in despatching the 2019 Annual Report, the interim report of the Company for the six months ended 29 February 2020 (the “**2020 Interim Report**”) would also not be ready for despatch by 31 May 2020, and such delay in despatching the 2020 Interim Report constituted non-compliance with Rule 13.48(1) of the Listing Rules. For further details, please refer to the announcements of the Company dated 2 December 2019, 13 January 2020, 27 March 2020, 9 April 2020 and 29 May 2020.

The Company has published its unaudited annual results for the year ended 31 August 2019 on 29 April 2020, and its unaudited interim results for the six months ended 29 February 2020 on 29 April 2020 (and supplemented by a supplemental announcement dated 3 May 2020).

By Order of the Board  
**China Chunlai Education Group Co., Ltd.**  
**Hou Junyu**  
*Executive Director*

Hong Kong, 22 June 2020

*As at the date of this announcement, the Board comprises Mr. Hou Junyu as executive Director and chief executive officer, Ms. Jiang Shuqin as executive Director, Mr. Hou Chunlai as non-executive Director and chairman, and Dr. Jin Xiaobin, Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man as independent non-executive Directors.*

\* *The English translation of company names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*