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**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)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF LAND USE RIGHT IN LINZHOU CITY**

**ACQUISITION OF LAND USE RIGHT**

The Board is pleased to announce that on 28 June 2021, PRC Holdco entered into the Framework Agreement with the People's Government of Linzhou City (林州市人民政府) pursuant to which PRC Holdco shall acquire the land use right of the Target Land from the People's Government of Linzhou City for the construction and development of the new school campus.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, it is appropriate to treat the Acquisition as a discloseable transaction for the Company and subject it to the announcement requirement under Chapter 14 Listing Rules.

**BACKGROUND**

The PRC Holdco entered into the Framework Agreement with the People's Government of Linzhou City, pursuant to which PRC Holdco shall acquire the land use right of the Target Land from the People's Government of Linzhou City for education purposes and for the construction and development of a new school campus. The new college shall tentatively be named Anyang Polytechnic Vocational College (安陽理工職業學院).

## **PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT**

The principal terms of the Framework Agreement are summarized below:

### **Date**

28 June 2021

### **Parties**

- (i) People's Government of Linzhou City (林州市人民政府); and
- (ii) PRC Holdco

The People's Government of Linzhou City is a PRC Governmental Body. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the People's Government of Linzhou City is a third party independent of the Group and its connected persons (as defined in the Listing Rules).

### **Information of the Target Land**

The Target Land is a piece of land with an area of approximately 2,000 mu (equivalent to approximately 1,333,333 sq m) which will be south of Linzhou Avenue (林州大道以南), north of Tianping Avenue (天平大道以北) and east of College Road (學院路以東). Its exact location and size shall be subject to the land use planning proposal and the adjustment and determination by the relevant authority of land (國土部門).

### **Expected Consideration and payment arrangements in respect of the Target Land**

PRC Holdco will acquire the Target Land at an expected consideration (the "**Expected Consideration**") of approximately RMB220 million (equivalent to approximately HK\$265 million) calculated by reference to a price of RMB110,000 per mu and an expected size of 2000 mu plot of land. To the knowledge of the Group, the price of RMB110,000 per mu represents the market price of comparable lands after taking into account the location of the Target Land.

The Expected Consideration will be paid by the internal financial resources of the Group, financial resources of the Group, and, where appropriate, bank borrowings.

### **Development of the Target Land**

It is envisaged that once the procedures for the land acquisition process are completed by People's Government of Linzhou City to PRC Holdco and the relevant land use right certificates have been obtained (which is expected to be the end of December 2021), PRC Holdco shall commence the first phase of construction. The first phase of construction of the New Campus is expected to be completed by the end of August 2022, with recruitment of first batch of students to be completed by September 2022. The Group is also currently applying for the sponsor interest of Anyang Polytechnic Vocational College (安陽理工職業學院).

The Group expects Anyang Polytechnic Vocational College (安陽理工職業學院) will be able to accommodate 15,000 students, and will be a vocational college with science and technology as the primary focus.

## **REASONS FOR AND BENEFIT OF THE ACQUISITION**

The Board believes that the Target Land, being located in Linzhou City and Henan Province, complements the location of the other colleges of the Group in Henan Province and Hubei Province and is expected to provide synergistic effects. The abundant capacity of the Target Land will also provide a good foundation for the future growth of Anyang Polytechnic Vocational College (安陽理工職業學院).

Therefore, the Directors (including the independent non-executive Directors) consider that the Framework Agreement has been entered into on normal commercial terms, and the terms of the Acquisition are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

PRC Holdco is a limited liability company established in the PRC on 1 August 2017 and one of the consolidated affiliated entities of the Company, and is mainly engaged in the operation of private higher education institutions.

The Group is a leading provider of private higher education in China. Since the Group's inception in 2004, it has grown to operate three colleges in Henan Province, namely Shangqiu University (商丘學院), Shangqiu University Kaifeng Campus (商丘學院應用科技學院) and Anyang University (安陽學院), and one college in Hubei Province, namely Hubei Jiankang Vocational College (湖北健康職業學院). The Group also participates in the operation of Hubei College (an independent college of Yangtze University) in Hubei Province and Tianping College (an independent college of Suzhou University of Science and Technology) in Jiangsu Province.

People's Government of Linzhou City (林州市人民政府) is a PRC Government Body within Anyang, Henan province, China.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, it is appropriate to treat the Acquisition as a discloseable transaction of the Company and subject it to announcement requirement under Chapter 14 Listing Rules.

## DEFINITIONS

“Acquisition”	means the acquisition of the land use right of the Target Land;
“Board”	means the board of Directors of the Company;
“Company”	China Chunlai Education Group Co., Ltd. (中國春來教育集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 15 November 2017;
“Cooperation Agreement”	means a cooperation framework agreement dated 28 June 2021 entered into between Henan Chunlai Education Technology Co., Ltd and the People’s Government of Linzhou City setting out the principal terms and arrangements of the Acquisition and for the construction and development of a new campus (which shall tentatively be named Anyang Polytechnic Vocational College (安陽理工職業學院));
“Director(s)”	means director(s) of the Company;
“Expected Consideration”	means the expected consideration payable for the Acquisition being a total of approximately RMB220 million (equivalent to approximately HK\$265 million) calculated by reference to a price of RMB110,000 per mu and a size of 2,000 mu plot of land;
“Framework Agreement”	means collectively, the Cooperation Agreement and the Supplemental Agreement;
“Group”	means the Company, its subsidiaries and its PRC consolidated affiliated entities, including PRC Holdco;
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“mu”	means mu (畝), a unit of land traditionally used in East Asia equivalent to approximately 666.67 sq.m;
“People’s Government of Linzhou City”	means the People’s Government of Linzhou City (林州市人民政府), a PRC Government Body;
“Prospectus”	means prospectus of the Company issued in relation to its initial listing and Global Offering dated August 31, 2018;
“PRC”	means the People’s Republic of China;
“PRC Government Body”	has the meaning defined in Chapter 19A of the Listing Rules;

“PRC Holdco”	means Henan Chunlai Education Technology Co., Ltd. (河南春來教育科技有限公司), a limited liability company established in the PRC on 1 August 2017 and one of the consolidated affiliated entities of the Company;
“RMB”	means Renminbi, the lawful currency for the time being of the PRC;
“sq. m.”	means square meter, unit of area;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	means a framework agreement supplemental to the Cooperation Agreement and entered into between Henan Chunlai Education Technology Co., Ltd and the People’s Government of Linzhou City amending certain of, and incorporating additional terms to, the Cooperation Agreement dated 28 June 2021;
“Target Land”	means a piece of land of approximately 2000 mu (equivalent to approximately 1,333,333 sq m), located in Linzhou City and the subject of the Framework Agreement

*Unless otherwise specified in this announcement, amounts denominated in RMB have been converted into Hong Kong dollars at the rate of HK\$1.00 = RMB0.83. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.*

By Order of the Board of Directors  
**China Chunlai Education Group Co., Ltd.**  
**Zhang Jie**  
*Executive Director*

Hong Kong, 28 June 2021

*As at the date of this announcement, the Board comprises Mr. Hou Junyu and Ms. Jiang Shuqin as executive Directors, Ms. Zhang Jie as executive Director and chief executive officer, 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.*