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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)

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 10 June 2021, Shangqiu University* (商丘學院), one of our PRC operating schools, 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	:	10 June 2021
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
Term of the Loan	:	12 months, commencing on 15 June 2021
Interest	:	An annual interest rate of 5.00%, being 1.15% above the latest one-year loan prime rate (being 3.85%) promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China before the date of the Loan Agreement
Security	:	The Loan is secured by a guarantee provided by each of the Company, PRC Holdco and School Sponsor (as defined below), and a pledge of account receivables by the Borrower 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 10 June 2021, 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**”, and 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 10 June 2021, the Borrower entered into an account receivables pledge agreement with the Lender (the “**Pledge Agreement**”), pursuant to which the Borrower 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 (including acquisition of teaching resources and equipments for the Shangqiu University) 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 Loan Agreement, the Guarantee Agreements and the Pledge Agreement entered into by the Group in favour of the Lender were entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 16 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.*