

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 AGREEMENTS**

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 27 December 2019 and 25 December 2019, Henan Shangqiu Chunlai Education Corporation* (河南商丘春來教育集團), one of the Group’s consolidated affiliated entities, 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 (i) a loan agreement (the “**First Loan Agreement**”), pursuant to which the Lender has agreed to make available a term loan facility in an amount of RMB150,000,000 (the “**First Loan**”) to the Borrower and (ii) a loan agreement (the “**Second Loan Agreement**” and together with the First Loan Agreement, the “**Loan Agreements**”), pursuant to which the Lender has agreed to make available a term loan facility in an amount of RMB40,000,000 (the “**Second Loan**” and together with the First Loan, the “**Loans**”) to the Borrower.

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

THE FIRST LOAN AGREEMENT

Date	: 27 December 2019
Lender	: Zhongyuan Bank Co., Ltd., Shangqiu Branch* (中原銀行股份有限公司商丘分行)
Borrower	: Henan Shangqiu Chunlai Education Corporation* (河南商丘春來教育集團)
Loan amount	: RMB150,000,000
Purpose of the First Loan	: For purchase of office equipments and furnitures and general corporate purposes
Term of the First Loan	: 1 year, commencing on 27 December 2019

Interest : An initial annual interest rate of 6.5%, being 2.35% above the one-year loan prime rate promulgated by the National Interbank Funding Center under the authority of the People's Bank of China (the "LPR") as at the date immediately before the date of this agreement of 4.15%, and shall be adjusted on 20 January 2020 and every month thereafter with reference to the LPR

Security : The First Loan is secured by a guarantee provided by each of the Company and PRC Holdco (as defined below), and a pledge of account receivables by each of Shangqiu University (商丘學院) and Anyang University (安陽學院) in favour of the Lender

THE SECOND LOAN AGREEMENT

Date : 25 December 2019

Lender : Zhongyuan Bank Co., Ltd., Shangqiu Branch* (中原銀行股份有限公司商丘分行)

Borrower : Henan Shangqiu Chunlai Education Corporation* (河南商丘春來教育集團)

Loan amount : RMB40,000,000

Purpose of the Second Loan : For purchase of office equipments and furnitures and general corporate purposes

Term of the Second Loan : 1 year, commencing on 27 December 2019

Interest : An initial annual interest rate of 6.5%, being 2.35% above the LPR as at the date immediately before the date of this agreement of 4.15%, and shall be adjusted on 20 January 2020 and every month thereafter with reference to the LPR

Security : The Second Loan is secured by a guarantee provided by each of the Company and PRC Holdco (as defined below), and a pledge of account receivables by each of Shangqiu University (商丘學院) and Anyang University (安陽學院) 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).

GUARANTEE

On 25 December 2019, each of the Company and Henan Chunlai Education Technology Co., Ltd.* (河南春來教育科技有限公司) (“**PRC Holdco**”), one of the Group’s consolidated affiliated entities, entered into a guarantee agreement with the Lender (the “**Guarantee Agreements**”), pursuant to which each of the Company and PRC Holdco shall provide a guarantee in favour of the Lender for the Borrower’s liabilities under the Loan Agreements (including but not limited to the Loans, interest, damages, compensation, and fees incurred by the Lender in connection with any enforcement actions).

PLEDGE OF RECEIVABLES

On 25 December 2019, each of Shangqiu University (商丘學院) and Anyang University (安陽學院) respectively entered into an account receivables pledge agreement with the Lender (the “**Pledge Agreements**”), pursuant to which each of Shangqiu University (商丘學院) and Anyang University (安陽學院) agreed to pledge its account receivables in favour of the Lender for the Borrower’s liabilities under the Loan Agreements (including but not limited to the Loans, 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 AGREEMENTS

By entering into the Loan Agreements, the Group can diversify its financing channels and optimise the Group’s liability structure.

The terms of the Loan Agreements, the Guarantee Agreements and the Pledge Agreements were determined at after arm’s length negotiations between the parties thereto, and the Board considers that the Loan Agreements as well as the Guarantee Agreements and the Pledge Agreements 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.

* *For identification purposes only*

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

Hong Kong, 27 December 2019

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.