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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 BY SHANGQIU UNIVERSITY

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 19 June 2019, 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 aggregate 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	: 19 June 2019
Lender	: Zhongyuan Bank Co., Ltd., Shangqiu Branch
Borrower	: Shangqiu University
Loan amount	: RMB180,000,000
Purpose of the Loan	: For the purchase of books and electronic equipment
Term of the Loan	: 1 year
Interest	: An initial annual interest rate of 6.525% and shall be adjusted every month with reference to the benchmark lending rate promulgated by the People’s Bank of China

Security : The Loan is secured by guarantee provided by the Company and PRC Holdco (as defined below), and a pledge of account receivables by the Borrower in favour of the Lender pursuant to the Pledge Agreement (as defined below).

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 19 June 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, respectively entered into the guarantee agreements with the Lender, 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 Agreement (including but not limited to the Loan, interest, liquidated damages, damages, compensation, and fees incurred by the Lender in connection with any enforcement actions).

PLEDGE OF RECEIVABLES

On 21 December 2018, the Borrower and the Lender entered into an accounts receivables pledge agreement (the “**Pledge Agreement**”), pursuant to which the Borrower agreed to pledge its account receivables in favour of the Lender so as to guarantee its repayment of any liabilities (including but not limited to the principal amount which shall be no more than RMB225,000,000 and the corresponding interest, penalty and other compensation, if any) under any facility agreement to be entered into between the Borrower and the Lender during the period between 21 December 2018 and 21 December 2019.

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 the operations of Shangqiu University and optimise the Group's liability structure.

The terms of the Loan Agreement were determined at after arm's length negotiations between the parties thereto, and the Board considers that the Loan Agreement and the other security documents entered into by the Group in favour of the Lender contemplated under the Loan Agreement 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
China Chunlai Education Group Co., Ltd.
Hou Chunlai
Chairman

Hong Kong, 19 June 2019

As at the date of this announcement, our executive Directors are Mr. Hou Junyu and Ms. Jiang Shuqin, our non-executive Director is Mr. Hou Chunlai, and our independent non-executive Directors are Dr. Jin Xiaobin, Ms. Fok Pui Ming Joanna and Mr. Lau Tsz Man.