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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 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 30 December 2020, 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 a facility contract pursuant to which the Lender has agreed to make available a term loan facility in an amount of RMB140,000,000 (the “**Loan**”) to the Borrower and a loan agreement to further specify details of the Loan and the drawdown (collectively, the “**Loan Agreements**”).

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

Date	:	30 December 2020
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	:	RMB140,000,000
Term of the Loan	:	1 year, commencing on 30 December 2020

- Interest : An annual interest rate of 6.0%, being 2.15% above the one-year loan prime rate promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China of 3.85% as at the date immediately before the date of the Loan Agreement
- Security : The 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 Anyang University\* (安陽學院), Shangqiu University\* (商丘學院) and Hubei Jiankang Vocational College\* (湖北健康職業學院) 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 30 December 2020, 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 (collectively, 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 Loan, interest, damages, compensation, and fees incurred by the Lender in connection with any enforcement actions).

## **PLEDGE OF RECEIVABLES**

On 30 December 2020, each of Anyang University\* (安陽學院), Shangqiu University\* (商丘學院) and Hubei Jiankang Vocational College\* (湖北健康職業學院) entered into an account receivables pledge agreement with the Lender (collectively, the “**Pledge Agreements**”), pursuant to which each of Anyang University\* (安陽學院), Shangqiu University\* (商丘學院) and Hubei Jiankang Vocational College\* (湖北健康職業學院) 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 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 AGREEMENTS

By entering into the Loan Agreements, 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 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, the Guarantee Agreements and the Pledge Agreements 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, 30 December 2020

*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, Mr. Hao Xiaohui as non-executive Director and vice 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.*