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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 11 March 2023, Shangqiu University\* (商丘學院), as borrower (the “**Borrower**”), and Industrial and Commercial Bank of China, Shangqiu Xinjianlu Branch\* (中國工商銀行股份有限公司商丘新建路支行), as lender (the “**Lender**”), entered into a working capital loan agreement (the “**Loan Agreement**”), pursuant to which the Lender has agreed to make available a term loan facility with a principal amount of up to RMB60,000,000 (the “**Loan**”) to the Borrower.

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

#### **THE LOAN AGREEMENT**

<b>Date</b>	:	11 March 2023
<b>Lender</b>	:	Industrial and Commercial Bank of China, Shangqiu Xinjianlu Branch* (中國工商銀行股份有限公司商丘新建路支行)
<b>Borrower</b>	:	Shangqiu University* (商丘學院), as borrower
<b>Purpose of the Loan</b>	:	Replacement of other loans
<b>Term of the Loan</b>	:	Twelve months, commencing on the first day of loan withdrawal

- Interest** : The interest rate is the latest one-year loan prime rate promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China one working day before the date of each loan withdrawal
- Security** : The Loan Agreement is secured by a guarantee provided by each of the Company, the PRC Holdco, Henan Shangqiu (each as defined below), Mr. Hou Junyu (“**Mr. Hou**”) and Ms. Song Mengmeng (“**Ms. Song**”) (the spouse of Mr. Hou), and a pledge of receivables by Shangqiu University 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 11 March 2023, each of the Company, Henan Chunlai Education Technology Co., Ltd.\* (河南春來教育科技有限公司) (the “**PRC Holdco**”), Henan Shangqiu Chunlai Education Group\* (河南商丘春來教育集團) (the “**Henan Shangqiu**”), Mr. Hou and Ms. Song entered into a guarantee agreement with the Lender (collectively, the “**Guarantee Agreements**”). Pursuant to the Guarantee Agreements, each of the Company, PRC Holdco, Henan Shangqiu, Mr. Hou and Ms. Song shall provide a guarantee in favour of the Lender for the Borrower’s liabilities under the Loan Agreement (including but not limited to the principal amount of the Loan, interest, damages, compensation, and fees incurred by the Lender in connection with any enforcement actions).

## **PLEDGE OF RECEIVABLES**

In respect of the Loan Agreement, Shangqiu University entered into a pledge agreement (the “**Pledge Agreement**”) with the Lender, pursuant to which the Borrower agreed to pledge its receivables from tuition fees 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).

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 (including all independent non-executive Directors) considers that the terms of each of the Loan Agreement, the Guarantee Agreements and the Pledge Agreement were fair and reasonable, on normal commercial terms, 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.**  
**Hou Junyu**  
*Executive Director*

Hong Kong, 17 March 2023

*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.*