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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 LINE OF CREDIT 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 7 March 2023, Jingzhou College* (荊州學院), as credit recipient (the “**Credit Recipient**”), and China Everbright Bank Co. Ltd., Jingzhou Branch* (中國光大銀行股份有限公司荊州分行), as creditor (the “**Creditor**”), entered into a line of credit agreement (the “**Line of Credit Agreement**”), pursuant to which the Creditor has agreed to make available a credit line with a principal amount of up to RMB40,000,000 (the “**Credit Line**”) to the Credit Recipient.

The principal terms of the Line of Credit Agreement are summarised as follows:

THE LINE OF CREDIT AGREEMENT

Date	:	7 March 2023
Creditor	:	China Everbright Bank Co. Ltd., Jingzhou Branch* (中國光大銀行股份有限公司荊州分行)
Credit Recipient	:	Jingzhou College* (荊州學院)
Term	:	1 year, commencing on 10 March 2023
Use of Credit Line	:	The Credit Recipient can apply to the Creditor for the use of the Credit Line within the limit and term of the Credit Line, and sign a specific business contract with the Creditor separately to determine the credit use arrangement, including but not limited to the interest rate of the loan under the Line of Credit Agreement

To the best knowledge, information, and belief of the Directors, the Creditor 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 7 March 2023, each of the Company, Hubei Chunlai Education Technology Co., Ltd.* (湖北春來教育科技有限公司) (“**Hubei Chunlai**”), Henan Chunlai Education Information Consulting Co., Ltd.* (河南春來教育信息諮詢有限公司) (“**Henan Chunlai**”), Henan Chunlai Education Technology Co., Ltd.* (河南春來教育科技有限公司) (the “**PRC Holdco**”), and Henan Shangqiu Chunlai Education Corporation* (河南商丘春來教育集團) (the “**School Sponsor**”) entered into a guarantee agreement with the Creditor (collectively, the “**Guarantee Agreements**”). Pursuant to the Guarantee Agreements, each of the Company, Hubei Chunlai, Henan Chunlai, PRC Holdco and School Sponsor shall provide a guarantee in favour of the Creditor for the Credit Recipient’s liabilities under the Line of Credit Agreement (including but not limited to the principal amount of the Loan, interest, damages, compensation, and fees incurred by the Creditor in connection with any enforcement actions).

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LINE OF CREDIT AGREEMENT

By entering into the Line of Credit Agreement, the Group can diversify its financing channels, replenish capital required for its operations and optimise the Group’s liability structure in order to construct its new campus.

The terms of the Line of Credit Agreement and the related security documents were determined 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 Line of Credit Agreement and the related security documents 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, 10 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.*