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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 9 September 2021, the College of Engineering and Technology of Yangtze University* (長江大學工程技術學院) (“**Hubei College**”), as borrower (the “**Borrower**”), 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 lender (the “**Lender**”), entered into a loan agreement (the “**Loan Agreement**”), pursuant to which the Lender has agreed to make available a revolving loan facility with a principal amount of up to RMB30,000,000 (the “**Loan**”) to the Borrower.

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

THE LOAN AGREEMENT

Date	:	9 September 2021
Lender	:	China Everbright Bank Co. Ltd., Jingzhou Branch* (中國光大銀行股份有限公司荊州分行)
Borrower	:	College of Engineering and Technology of Yangtze University* (長江大學工程技術學院) (Hubei College)
Purpose of the Loan	:	For the daily operations of the Borrower
Term of the Loan	:	1 year, commencing on 23 September 2021

- Interest** : To be separately agreed by the Borrower and the Lender
- Security** : The Loan is secured by a guarantee provided by each of the Company, PRC Holdco, School Sponsor, Hubei Chunlai, WFOE, Mr. Hou (a controlling shareholder and an executive Director of the Company), Ms. Song (the spouse of Mr. Hou), and Ms. Jiang (an executive Director of the Company) (each 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 (the “**Listing Rules**”)).

GUARANTEE

On 10 September 2021, 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 Corporation* (河南商丘春來教育集團) (the “**School Sponsor**”), Hubei Chunlai Education Technology Co., Ltd.* (湖北春來教育科技有限公司) (“**Hubei Chunlai**”), Henan Chunlai Education Information Consultancy Co., Ltd. (河南春來教育信息諮詢有限公司) (the “**WFOE**”) entered into a guarantee agreement with the Lender (collectively, the “**Company Guarantee Agreements**”), and each of Mr. Hou Junyu (“**Mr. Hou**”), Ms. Song Mengmeng (“**Ms. Song**”) and Ms. Jiang Shuqin (“**Ms. Jiang**”) entered into a guarantee agreement with the Lender (collectively, the “**Personal Guarantee Agreements**” and together with the Company Guarantee Agreements, the “**Guarantee Agreements**”). Pursuant to the Guarantee Agreements, each of the Company, PRC Holdco, School Sponsor, Hubei Chunlai, WFOE, Mr. Hou, Ms. Song and Ms. Jiang 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).

The transactions contemplated under the Personal Guarantee Agreements are fully exempted connected transactions under Rule 14A.90 of the Listing Rules as each of the Personal Guarantee Agreements is conducted on normal commercial terms and not secured by any assets of the Group.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

By entering into the Loan Agreement, the Group can diversify its financing channels and replenish capital required for its operations.

The terms of the Loan Agreement and Guarantee Agreements were determined at after arm's length negotiations between the parties thereto, and the Board (including all independent non-executive Directors but excluding Mr. Hou and Ms. Jiang) considers that the terms of each of the Loan Agreement and Guarantee Agreements were fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole. Each of Mr. Hou and Ms. Jiang had abstained from voting at the Board meeting at which the Loan Agreement and Guarantee Agreements were considered and approved.

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

Hong Kong, 24 September 2021

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 entity or enterprise 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.*