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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 21 May 2024, Henan Shangqiu Chunlai Education Corporation* (河南商丘春來教育集團), a consolidated affiliated entity of the Company, 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 RMB working capital loan agreement (the “**Loan Agreement**”), pursuant to which the Lender has agreed to make available a term loan facility of up to RMB90,000,000 to the Borrower (the “**Loan**”).

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

THE LOAN AGREEMENT

Date	:	21 May 2024
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)
Term of the Loan	:	Two years, commencing on 21 May 2024
Purpose of the Loan	:	Purchase of teaching appliances
Interest	:	A fixed annual interest rate determined with reference to 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 day before the date of the Loan Agreement

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 21 May 2024, in respect of the Loan Agreement, 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**”, a consolidated affiliated entity of the Company), and Mr. Hou Junyu (“**Mr. Hou**”, an executive Director and a controlling shareholder of the Company) entered into a guarantee agreement with the Lender (collectively, the “**Guarantee Agreements**”). Pursuant to the Guarantee Agreements, each of the Company, the PRC Holdco and Mr. Hou 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

On 21 May 2024, in respect of the Loan Agreement, each of Shangqiu University* (商丘學院), Anyang University* (安陽學院) and Hubei Jiankang Vocational College* (湖北健康職業學院) (each a consolidated affiliated entity of the Company) entered into an account receivables pledge agreement with the Lender, pursuant to which each of them agreed to pledge its account receivables 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).

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

By entering into the Loan Agreement, the Group can improve teaching facilities to increase its capacity under its expansion plan in order to increase the total student enrolment, and to diversify its financing channels, replenish capital required for its operations and optimise the Group’s liability structure.

The terms of the Loan 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 Loan Agreement and the related security documents are 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
China Chunlai Education Group Co., Ltd.
Hou Junyu
Executive Director

Hong Kong, 21 May 2024

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 translations of the company names in Chinese are 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.*