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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)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by China Chunlai Education Group Co., Ltd. (中國春來教育集團有限公司) (the “**Company**”; together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to rules 13.09(2)(a), 13.24A and 13.49(3)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcements of the Company dated 2 December 2019 and 13 January 2020 in relation to, among others, the delay in publication of the announcement in relation to the 2019 Annual Results and the 2019 Annual Report, the suspension of trading of the shares of the Company (the “**Shares**”) on the Stock Exchange with effect from 9:00 a.m. on 2 December 2019 (the “**Suspension**”), and the change of auditors of the Company; (ii) the announcement of the Company dated 27 March 2020 in relation to the resumption guidance issued by the Stock Exchange on 23 March 2020 (the “**Resumption Guidance**”); (iii) the announcement of the Company dated 9 April 2020 in relation to the quarterly update on the Suspension; (iv) the announcements of the Company dated 29 April 2020 and 3 May 2020 in relation to the publication of its unaudited annual results for the year ended 31 August 2019 and its unaudited interim results for the six months ended 29 February 2020; (v) the announcement of the Company dated 29 May 2020 in relation to the delay in despatch of the interim report of the Company for the six months ended 29 February 2020 (the “**2020 Interim Report**”); (vi) the announcement of the Company dated 9 July 2020 in relation to the quarterly update on the Suspension; (vii) the announcement of the Company dated 20 August 2020 in relation to the update on the 2019 Annual Results and the interim results for the six months ended 29 February 2020; and (viii) the 2019 Annual Report and the 2020 Interim Report both published on the websites of the Stock Exchange and the Company on 26 August 2020. Capitalised terms used herein shall have the same meanings as those defined in the announcement of the Company dated 13 January 2020 unless the context requires otherwise.

The Company is now taking appropriate steps to resolve the issues causing the Suspension and to fully comply with and address the Resumption Guidance to the Stock Exchange’s satisfaction.

UPDATE ON INVESTIGATIONS

The Company wishes to emphasise that it takes seriously the Issues raised by Deloitte in its Resignation Letter, and the Company has taken reasonable steps with a view to resolving the Issues, including but not limited to instructing external legal firms to carry out an investigation and seeking advice from senior counsels in Hong Kong, which have concluded that the Issues do not give rise to any legitimate concerns.

The Audit Committee would like to inform the Shareholders that it has substantially finalised its Investigations, and nothing has come to the attention of the Audit Committee that would lead it to conclude that there are legitimate concerns relating to the Issues that need to be brought to the attention of the Shareholders. Further details regarding the Investigations and the Company's internal control and procedures, among others, will be published in due course.

UPDATE ON FINANCIAL RESULTS

The Company has published its unaudited annual financial results for the year ended 31 August 2019 on 29 April 2020, and its unaudited interim financial results for the six months ended 29 February 2020 on 29 April 2020 (supplemented by a supplemental announcement dated 3 May 2020).

An announcement regarding the update of the audited annual results of the Company for the year ended 31 August 2019 and the unaudited interim results for the six months ended 29 February 2020 has been published on 20 August 2020. Both the 2019 Annual Report and the 2020 Interim Report have been published on the websites of the Stock Exchange and the Company on 26 August 2020.

RESUMPTION PLAN

The Company will make further announcement(s) regarding the findings of the Investigations and the Company's internal controls and procedures and appropriate remedial measures (if any) as and when appropriate.

BUSINESS OPERATIONS AND CONTINUED SUSPENSION OF TRADING

Pursuant to rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules. As a result of the delay in publication of the 2019 Annual Results, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 December 2019.

The Board wishes to state that the business operations of the Group have not been affected as a result of the matters set out in this announcement. The Board (including the Audit Committee) has confirmed that as at the date of this announcement, there are no other matters in connection with the foregoing that need to be brought to the attention of the Shareholders.

By order of the Board
China Chunlai Education Group Co., Ltd.
Zhang Jie
Executive Director

Hong Kong, 9 October 2020

As at the date of this announcement, our executive Directors are Mr. Hou Junyu, Ms. Jiang Shuqin and Ms. Zhang Jie, our non-executive Directors are Mr. Hou Chunlai and Mr. Hao Xiaohui, and our independent non-executive Directors are Dr. Jin Xiaobin, Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man.