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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHT IN NANJING

ACQUISITION OF LAND USE RIGHT

The Board is pleased to announce that on 15 December 2021 (after trading hours), Tianping College entered into the Asset Transfer Agreement with the Vendor, pursuant to which Tianping College shall acquire the land use right of the Target Land from the Vendor for the construction and development of a new school campus.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, the transactions contemplated under the Asset Transfer Agreement constitute discloseable transactions of the Company under the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 15 December 2021 (after trading hours), Tianping College entered into the Asset Transfer Agreement with the Vendor, pursuant to which Tianping College shall acquire the land use right of the Target Land from the Vendor for education purposes and for the construction and development of a new school campus. The new college shall tentatively be named Nanjing College.

PRINCIPAL TERMS OF THE ASSET TRANSFER AGREEMENT

The principal terms of the Asset Transfer Agreement are summarized below:

Date

15 December 2021

Parties

- (i) Vendor; and
- (ii) Tianping College.

The Vendor is a PRC Governmental Body. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor is a third party independent of the Group and its connected persons (as defined in the Listing Rules).

Assets to be acquired

The Target Land is situated east of Ninggao New Channel, Higher Vocational Education Innovation and Innovation Park (高職園寧高新通道以東) and north of Weier Road (緯二路北側) with a total land use right area of 315,732.18 sq m. The land use right of the Target Land shall be granted for a term of 50 years for educational use.

Consideration and payment arrangements in respect of the Target Land

The consideration for the land use right of the Target Land under the Asset Transfer Agreement is RMB180 million (equivalent to approximately HK\$220 million), of which RMB54 million has been paid and the remaining RMB126 million will be paid in full before 31 December 2021. To the knowledge of the Group, the consideration represents the market price of comparable land use rights after taking into account the location of the Target Land.

The consideration will be paid by the internal financial resources of the Group, financial resources of the Group and bank borrowings.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that the Target Land, which is located in Nanjing, Jiangsu Province, complements the location of Tianping College and will provide synergistic effects. The Company intends to build a new campus for Nanjing College on the Target Land and considers that the abundant capacity of the Target Land will provide a good foundation for the future growth of Nanjing College.

Therefore, the Directors (including the independent non-executive Directors) consider that the Asset Transfer Agreement has been entered into on normal commercial terms, and the terms of the Acquisition are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Tianping College is an independent college jointly sponsored, organized and funded by Suzhou University of Science and Technology and the Suzhou University of Science and Technology Education Development Foundation* (蘇州科技大學教育發展基金會) to teach full-time undergraduate students.

The Group is a leading provider of private higher education in China. Since the Group's inception in 2004, it has grown to operate three colleges in Henan Province, namely Shangqiu University (商丘學院), Shangqiu University Kaifeng Campus (商丘學院應用科技學院) and Anyang University (安陽學院), and two colleges in Hubei Province, namely Hubei Jiankang Vocational College (湖北健康職業學院) and Jingzhou College (formerly Hubei College). The Group also participates in the operation of Tianping College in Jiangsu Province.

The Vendor is a PRC Government Body within Nanjing, Jiangsu Province, China.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, the transactions contemplated under the Asset Transfer Agreement constitute discloseable transactions of the Company under the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the land use right of the Target Land;
“Asset Transfer Agreement”	the State-owned Construction Land Use Right Grant Contract (國有建設用地使用權出讓合同) dated 15 December 2021 entered into between Tianping College and the Vendor setting out the principal terms and arrangements of the Acquisition and for the construction and development of a new campus;
“Board”	the board of Directors of the Company;
“Company”	China Chunlai Education Group Co., Ltd. (中國春來教育集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 15 November 2017;
“Director(s)”	director(s) of the Company;
“Group”	the Company, its subsidiaries and its PRC consolidated affiliated entities, including Tianping College;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“PRC Government Body”	has the meaning defined in Chapter 19A of the Listing Rules;
“RMB”	Renminbi, the lawful currency for the time being of the PRC;
“sq. m.”	square meter, unit of area;
“Target Land”	a piece of land of approximately 315,732.18 sq m, located in Nanjing, Jiangsu Province and the subject of Asset Transfer Agreement;
“Tianping College”	Tianping College of Suzhou University of Science and Technology (蘇州科技大學天平學院), an independent college of Suzhou University of Science and Technology;

“Vendor”

Gaochun Bureau of the Nanjing Bureau of Planning and Natural Resources* (南京市規劃和自然資源局高淳分局), a PRC Government Body.

Unless otherwise specified in this announcement, amounts denominated in RMB have been converted into Hong Kong dollars at the rate of HK\$1.00 = RMB0.82. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

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

Hong Kong, 16 December 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 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.*