**CCXAP assigns the first-time long-term credit rating of $BBB_g$ to China Chunlai Education Group Co., Ltd., with stable outlook.**

Hong Kong, 10 August 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned the first-time long-term credit rating of $BBB_g$ to China Chunlai Education Group Co., Ltd. ("China Chunlai" or the "Company"), with stable outlook.

The $BBB_g$ long-term credit rating of China Chunlai Education Group Co., Ltd. ("China Chunlai" or the "Company") is underpinned by the Company's (1) status as a leading private higher education institution in Central China, with geographic and brand advantages; (2) increasing revenue and good profitability; and (3) manageable debt burden and improving credit metrics. However, the rating is constrained by (1) risks from policy shift and intensifying competition; (2) uncertainties regarding the conversion of Tianping College; and (3) high reliance on tuition fees.

## Corporate Profile

Established in 2017 and listed on the Main Board of the Hong Kong Stock Exchange in 2018, China Chunlai (Stock code: 1969.HK) is the leading private higher education provider in Central China. The Company operates six institutions across Henan and Hubei provinces and also participates in the operation of Tianping College in Jiangsu. As of 30 June 2026, Chunlai Investment Co., Ltd. directly held 75.0% of the Company's shares. The ultimate controlling shareholder is Mr. Hou Junyu.

## Rating Rationale

### Credit Strengths

**Leading private higher education institution in Central China, with geographic and brand advantages.** China Chunlai is the leading private higher education provider in Central China, with a strategically irreplaceable geographic and brand advantages. The Company and its colleges and universities have repeatedly won various accolades, such as Education Group with Influential Brand, China's Most Influential Private School, China's Top 30 Private Education Providers, and Advanced Institution Among Private Education Providers.

**Increasing revenue and good profitability.** China Chunlai's revenue scale shows an increasing trend. From 2023 to 2025, its total revenue rose from RMB1.5 billion to RMB1.8 billion, driven by enlarging student base and higher average tuition fees. China Chunlai maintains a robust operating profitability, with a high EBIT margin of 50.8% in 2025, thanks to a reduction in period expenses, which fell from 20.3% in 2023 to 14.8% in 2025.

**Manageable debt burden and improving credit metrics.** China Chunlai's debt burden shows a decreasing trend due to active debt repayment. As of 28 February 2026, the Company's adjusted total debt amounted to RMB1.2 billion, with total capitalization ratio declining from 39.9% as of 31 August 2023 to 19.7%, mainly due to decrease in debts and increase in equities. With manageable debt burden and good profitability, China Chunlai's long-term debt servicing capability is relatively good. In 2025, the Company's total debt/EBITDA ratio and

EBITDA/interest ratio were 1.6x and 18.9x, respectively, indicating relatively good debt and interest coverage from its operating profits.

### Credit Challenges

**Risks from policy shift and intensifying competition.** China's private higher education sector remains a significant pillar, comprising 829 institutions and enrolling over 10 million students. However, the industry has entered a structural transition from scale-driven expansion to quality-focused consolidation, facing mounting policy and competitive headwinds.

**Uncertainties regarding the conversion of Tianping College.** Currently, it is applying for the change of Tianping College's school sponsor with the Ministry of Education. If the progress of the conversion is slower than expected, the consolidation and revenue contribution will be delayed.

**High reliance on tuition fees.** The Company's largest revenue contributor is tuition fee, accounting for 91.4% of total revenue in 2025, followed by boarding fee (8.6% of total revenue). Private colleges and universities do not receive government funding and highly rely on tuition income. A drop in enrollment or low admission rates could directly trigger a break in its funding chain.

## Rating Outlook

The stable outlook on China Chunlai's rating reflects our expectation that, the Company will maintain its status as a leading private higher education institution in Central China, with stable revenue stream and manageable debt burden for the next 12 to 18 months.

**What could upgrade the rating?**

The rating could be upgraded if the Company's stand-alone credit profile improves significantly, such as strengthening market position or diversified business mix.

**What could downgrade the rating?**

The rating could be downgraded if the Company's stand-alone credit profile deteriorates, such as eroded liquidity profile or substantial increase in debt burden.

## Rating Methodology

The methodology used in this rating is the Rating Methodology for General Corporate (May 2026).

## Regulatory Disclosures

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