



## China Liberal Education Holdings Limited Enters into Non-Binding Letter of Intent to Acquire Wanzhong (Hong Kong) Education Investment Management Co., Ltd

January 4, 2021

BEIJING, Jan. 4, 2021 /PRNewswire/ -- China Liberal Education Holdings Limited (Nasdaq: CLEU) ("China Liberal", or the "Company", or "we"), an educational services provider in China, today announced that the Company has entered into a non-binding letter of intent (the "LOI") to acquire Wanzhong (Hong Kong) Education Investment Management Co., Ltd ("WEIM") with WEIM's sole shareholder on December 28, 2020.

WEIM operates an independent three-year college and a four-year college, which were formed by a public school but operated as private schools. These two colleges cover an area of about 200 mu (approximately 81 hectares) and a gross floor area of 33,000 square meters (approximately 355,209 square feet). The total assets of these two colleges are about RMB 200 million (approximately US\$30.7 million). With more than 4,000 students currently enrolled, these two colleges generate annual revenue of about RMB 100 million (approximately US\$15.3 million) in the aggregate.

Pursuant to the LOI, the Company agrees to acquire 100% of the shares of WEIM from its sole shareholder, to be paid in cash and ordinary shares of the Company, the amount of which are to be determined based on the upcoming due diligence by the Company on WEIM. The due diligence and closing are expected to be completed within ninety days from the date of the LOI. Either party to the LOI may terminate the LOI unilaterally. As the transaction proceeds, the Company will publicly disclose required information either through press releases or SEC filings, as appropriate.

Ms. Ngai Ngai Lam, Chairwoman and CEO of China Liberal, commented, "China Liberal has established two major business systems, namely educational services and information technology. The educational service system covers Sino-foreign jointly managed academic programs, and integration of enterprises and vocational education. This business system covers sectors such as enrollment, teaching, research, teaching materials, vocational training, internship and employment, and all of these sectors have realized online and data-based operations because the Company had established various functional platforms for enrollment data, educational administration management, office, financial management, online teaching, internship, employment and employer data, and set up training rooms of big data, art teaching, and Internet of Things. The Company's information technology business system focuses on data platform and system integration, with data campus SAAS platform and AI-Space at its core. The Company preliminarily realized the integration of software, hardware and content, combined online and offline teaching, group interactive teaching, synchronized classroom, dual-teacher classrooms, teaching data analysis and personalized teaching etc., forming its own unique product advantage."

Ms. Ngai Ngai Lam continued, "Through this acquisition, we expect to strengthen our advantage in our services and products, further improve the quality of our programs offered to colleges, rely on our partner schools to establish a teaching research center, a training center, a vocational training center and an information product laboratory, to provide a full range of support for other cooperation projects of the Company, create a standard model for cooperation between the Company and colleges, and continue to optimize the application of the Company's information technology products in the education industry. Looking forward, we will make full use of the current accommodation capacity and enrollment of the two colleges, via further optimizing various services, to improve the operations of these colleges, increase publicity and our brand awareness, and adjust fees and charges. Through these efforts, we expect to enroll 6,000 to 7,000 students in the next two to three years and generate RMB 150 million to 180 million (approximately US\$23 million to US\$28 million) of income from tuition and other service fees."

Completion of the transaction is subject to, among other matters, the completion of due diligence, the negotiation of a definitive agreement providing for the transaction, satisfaction of the conditions negotiated therein and approval of the transaction by the Company's stockholders. Accordingly, there can be no assurance that a definitive agreement will be entered into or that the proposed transaction will be consummated.

### About China Liberal Education Holdings Limited

China Liberal, headquartered in Beijing, is an educational services provider in China. It provides a wide range of services, including those under Sino-foreign jointly managed academic programs; overseas study consulting services; technological consulting services for Chinese universities to improve their campus information and data management system and to optimize their teaching, operating and management environment, creating a "smart campus"; and tailored job readiness training to graduating students. For more information, visit the company's website at [ir.chinaliberal.com](http://ir.chinaliberal.com).

### Forward-Looking Statements

*This document contains forward-looking statements. In addition, from time to time, we or our representatives may make forward-looking statements orally or in writing. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance, including: our financial performance and projections; our growth in revenue and earnings; and our business prospects and opportunities. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as "may," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "hopes" or the negative of these or similar terms. In evaluating these forward-looking statements, you should consider various factors, including: our ability to change the direction of the Company; our ability to keep pace with new technology and changing market needs; and the competitive environment of our business. These and other factors may cause our actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking events discussed in this press release and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. We are not obligated to publicly update or revise any forward-looking statement, whether as a result of uncertainties and assumptions, the forward-looking events discussed in this press release and other statements made from time to time by us or our representatives might not occur.*

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