



China Liberal Announces Extension of Letter of Intent to Acquire Wanzhong (Hong Kong) Education Investment Management Co., Ltd

July 19, 2021

BEIJING, July 19, 2021 /PRNewswire/ -- China Liberal Education Holdings Limited (Nasdaq: CLEU) ("China Liberal", the "Company", or "we"), an educational services provider in China, providing, among other services, smart campus solutions, today announced that on July 3, 2021, it entered into an extension agreement ("LOI Extension Agreement") to the non-binding letter of intent ("LOI") to acquire Wanzhong (Hong Kong) Education Investment Management Co., Ltd ("WEIM").

Pursuant to LOI Extension Agreement, the Company intends to acquire 100% of the issued and outstanding shares of WEIM from its sole shareholder, to be paid in cash and ordinary shares of the Company with a total value of RMB350 million, subject to adjustments based on the results of the upcoming due diligence on WEIM by the Company and further negotiations between the parties. Either party to the LOI Extension Agreement may, at any time, terminate the negotiations of the potential acquisition with the other party unilaterally.

Ms. Ngai Ngai Lam, Chairperson and CEO of China Liberal, commented, "Acquiring WEIM is a big move from us and we need to take many factors into consideration to protect the interests of the Company and its shareholders. That is why we entered into the LOI Extension Agreement after about half a year of negotiations. We originally focused on providing teaching, management, information services, internship and employment services. Through this acquisition, we would directly operate the schools as the owner, which is a challenge but also a huge opportunity for us. In addition to potentially achieving greater profits and returns for investors through operating the schools efficiently, we are also hoping to establish and improve the Company's teaching and research team as well as experimenting with education informatization, and lay a solid foundation for the Company's expansion."

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

About Wanzhong (Hong Kong) Education Investment Management Co., Ltd

Wanzhong (Hong Kong) Education Investment Management Co., Ltd 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 RMB200 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.

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.

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; our business prospects and opportunities; and entry into a definitive agreement with respect to the acquisition of WEIM and closing of the transaction. 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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