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CHINA E-LEARNING GROUP LIMITED **中國網絡教育集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

PROPOSED AMENDMENT TO TERMS AND CONDITIONS OF CONVERTIBLE NOTES

Reference is made to the announcement (the “**Announcement**”) of China E-Learning Group Limited (the “**Company**”) dated 15 August 2014 in relation to proposed amendment to terms and conditions of the Convertible Notes. Unless the context otherwise requires, capitalized terms and expressions used herein shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL DEED

On 16 September 2014 (after trading hours), the Company and each of the Noteholders entered into a supplemental deed to amend certain terms of the Deeds of Amendment (the “**Supplemental Deed**”).

Pursuant to the Deeds of Amendment as amended by the Supplemental Deed, it is agreed that:

The Company shall be entitled to compel the Noteholder(s) at any time during the conversion period of the Convertible Notes to exercise the conversion rights (the “**Conversion Rights**”) attaching to the Convertible Notes in respect of all or part of the principal amount (as may be stated in the Compulsory Conversion Notice (as defined below)) of the Convertible Notes by serving a notice in writing (the “**Compulsory Conversion Notice**”) to the Noteholder(s). The Compulsory Conversion Notice shall be irrevocable once it has been served by the Company on the Noteholder(s). The Company shall allot and issue the Conversion Shares to the Noteholders credited as fully paid in accordance with the terms and conditions of the Convertible Notes and the date on which the Company issues the Compulsory Conversion Notice shall be deemed to be the date of the exercise of the Conversion Rights for all purposes.

Save as disclosed above, all other terms of the Deeds of Amendment remain unchanged and continue to be in full force and effect.

REASONS FOR ENTERING INTO SUPPLEMENTAL DEED

The exercise of the conversion rights attaching to the Convertible Notes can allow the Group to refinance the debts under the Convertible Notes and provide flexibility to the Company to manage its liquidity and the pressure from the cash flows and the repayment of the debts of the Group can be alleviated.

The terms of the Supplemental Deed were arrived at after arm’s length negotiations between the Company and the Noteholders, with reference to public data, including the financial position of the Group, the outstanding principal amount and the recent stock price of the Shares as quoted on the Stock Exchange.

The Directors are of the view that the entering into of the Supplemental Deed will not cause any adverse effect on the operation and financial conditions of the Group and the terms of the Supplemental Deed are fair and reasonable and in the interest of the Company and of its shareholders as a whole.

By Order of the Board
China E-learning Group Limited
Yuan Wei
Executive Director

Hong Kong, 16 September 2014

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Yuan Wei and Mr. Yang Jilin; one non-executive director, Mr. Li Xiangjun; and three independent non-executive directors, namely Dr. Huang Chung Hsing, Mr. Li Qunsheng and Ms. Li Ya Ru Nancy. This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page and the website of the Company at www.chinae-learning.com for at least 7 days from the date of its publication.