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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)

**STRATEGIC COOPERATION AGREEMENT
IN RESPECT OF COOPERATION WITH
BEIJING BEIZHONG
ASSET MANAGEMENT COMPANY LIMITED
AND
RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

STRATEGIC COOPERATION AGREEMENT

The Company is pleased to announce that the Company entered into the Strategic Cooperation Agreement with Beijing Beizhong in relation to the transfer of 49% of the right of income of the Target College from BUCM to the Company and other cooperation projects.

GEM LISTING RULES IMPLICATIONS

The Strategic Cooperation Agreement may or may not lead to the entering into of the Formal Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Formal Agreement materialises, the transaction contemplated thereunder may or may not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

RESUMPTION OF TRADING

Trading in Shares on the Stock Exchange has been halted with effect from 10:24 a.m. on 17 November 2014 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 18 November 2014.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

STRATEGIC COOPERATION AGREEMENT

On 17 November 2014, China E-Learning Group Limited (the “**Company**”) entered into a strategic cooperation agreement (“**Strategic Cooperation Agreement**”) with Beijing Beizhong Asset Management Company Limited* (北京北中資產管理有限公司) (“**Beijing Beizhong**”) in relation to the transfer of 49% of the right of income of the Distance Education College of the Beijing University of Chinese Medicine* (北京中醫藥大學遠程教育學院) (the “**Target College**”) from the Beijing University of Chinese Medicine (北京中醫藥大學) (“**BUCM**”) to the Company and other cooperation projects (the “**Cooperation**”).

Beijing Beizhong is a company incorporated in the People’s Republic of China (the “**PRC**”) and is wholly-owned by BUCM. It is principally engaged in the management and control of BUCM’s operating assets, undertaking the responsibility of safeguarding the interest of BUCM and protecting the value of the state-owned assets of BUCM.

As at the date of this announcement, the right of income of the Target College is owned as to 49% and 51% respectively by BUCM and Hunan IIN Medical Network Technology Development Company Limited* (湖南國訊醫藥網絡科技開發有限公司), which is a wholly-owned subsidiary of the Company.

SCOPE OF COOPERATION

Subject to the approval from both the governing body of BUCM and the relevant government authorities and completion of the relevant procedures, and subject to further negotiations for reaching a formal agreement in respect of the Cooperation (the “**Formal Agreement**”), Beijing Beizhong and the Company (the “**Parties**”) agree that (1) BUCM shall transfer its 49% of the Target College’s right of income to the Company (the “**Possible Transfer**”); (2) that the business operation period of the Target College, if required, be extended for another ten years; and (3) the Parties shall expand their cooperation to include jointly exploring and developing any investment opportunity in the Chinese medicine services sector and Chinese medicine healthcare industry.

Consideration

The consideration for the Possible Transfer (the “**Consideration**”) has not yet been determined and shall be subject to the Formal Agreement, and it shall be determined in accordance with the relevant laws and regulations governing the management of the state-owned assets in the PRC and with reference to the value of the Target College to be assessed by an independent professional valuer to be appointed by Beijing Beizhong.

Payment of Consideration

Subject to the Formal Agreement, the Consideration shall be satisfied by the Company’s issue of its shares (the “**Shares**”) or convertible notes, and the price for issuing such Shares and the conversion price of such convertible notes shall not exceed HK\$0.498 per Share.

Profit Assurance

BUCM will provide certain assurance to the Company in respect of the profit to be generated by the Target College, the details of which are subject to further negotiations between the Parties.

Due Diligence

The Parties shall further negotiate and discuss, after the signing of the Strategic Cooperation Agreement, the details of the Cooperation and the arrangement and method of its implementation.

Within two months after the signing of the Strategic Cooperation Agreement (or any other later date as the Parties may agree), the Company shall have the right to conduct a comprehensive due diligence review as it may consider appropriate on the Target College and shall be entitled to engage agents in providing such assistance in connection with such review.

Preferential Right

Notwithstanding the signing of the Strategic Cooperation Agreement, the Company does not enjoy exclusive rights in the scope of the Cooperation and as such, BUCM shall continue to have the rights to negotiate, enter into any agreement or confirm any arrangements with any third party in relation to the Target College in respect of the Cooperation.

Beijing Beizhong, however, agrees that where a third party offers the same terms and conditions for the Cooperation as the Company may offer, the Company shall enjoy the preferential rights to the Cooperation with Beijing Beizhong.

Termination

In the event that the Parties fail to take any practical actions in respect of the Cooperation within three months from the date of the Strategic Cooperation Agreement, the Strategic Cooperation Agreement shall be terminated and cease to be of any effect automatically. In addition, the Strategic Cooperation Agreement shall lapse and cease to have any legal effect after one year from the date of its signing in any event.

GEM LISTING RULES IMPLICATIONS

The Strategic Cooperation Agreement may or may not lead to the entering into of the Formal Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Formal Agreement materialises, the transaction contemplated thereunder may or may not constitute a notifiable transaction for the Company under Chapter 19 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”).

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

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

Hong Kong, 17 November 2014

** For identification purpose only*

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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 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.