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## **CHINA E-INFORMATION TECHNOLOGY GROUP LIMITED**

### **中國網絡信息科技集團有限公司**

*(Formerly known as 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)**

## **ISSUE OF NON-LISTED WARRANTS UNDER GENERAL MANDATE**

The Board is pleased to announce that on 25 July 2017 (after trading hours), the Company entered into the Placing Agreement with each of the Placees respectively, pursuant to which, the Company conditionally agreed to issue, and the Placees conditionally agreed to subscribe for, an aggregate of 660,000,000 Warrants at the Issue Price of HK\$0.03 per Warrant. Each Warrant carries the right to subscribe for one Warrant Share at the Subscription Price of HK\$0.40 (subject to adjustments) per Warrant Share during the Subscription Period.

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Warrant Share(s) which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

The Warrant Shares will be issued under the General Mandate. Accordingly, the issue of the Warrant Shares will not be subject to the approval of the Shareholders.

**Shareholders and potential investors should note that the issue of Warrants is subject to the fulfillment of the Condition under the Placing Agreements and they are reminded to exercise caution when dealing in the Shares.**

## **PLACING AGREEMENTS**

The Board is pleased to announce that on 25 July 2017 (after trading hours), the Company entered into the Placing Agreement with each of the Placees respectively.

The principal terms of the Placing Agreements are set out as below:

**Date:** 25 July 2017

**Parties:** (i) the Company as issuer; and  
(ii) each of Mr. Zhao Xi Bo, Mr. Fu Lei and CCIF as placees.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placees and their ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons.

The principal business of CCIF is investment holding.

**Securities to be issued:** Subject to the fulfillment of the Condition, the Company agreed to issue, and the Placees agreed to subscribe for, an aggregate of 660,000,000 Warrants at the Issue Price. Each Warrant carries the right to subscribe for one Warrant Share at the Subscription Price during the Subscription Period.

**Condition:** Completion is conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrant Shares.

If the Condition is not fulfilled on or before the Long Stop Date, the Placing Agreements shall be terminated and become null and void forthwith and the parties thereto shall be released from all obligations thereunder, save and except the liabilities for any antecedent breaches thereof.

**Completion:** Completion shall take place before 6:00 p.m. on the third business day following the date on which the Condition is fulfilled (or such other date as the Company and the Placees may agree).

## **PRINCIPAL TERMS OF THE WARRANTS**

**Issue Price:** HK\$0.03 per Warrant. The net issue price, after deduction of the relevant expenses, is approximately HK\$0.0295 per Warrant.

**Subscription Price:** HK\$0.40 per Share, representing:

- (i) a premium of 45.45% over the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a premium of 42.35% over the average closing prices of HK\$0.281 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the Last Trading Date)

**Aggregate of the Issue Price and the Subscription Price:**

The aggregate of the Issue Price and the Subscription Price in the sum of HK\$0.43 per Share, representing:

- (i) a premium of 56.36% over the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a premium of 53.02% over the average closing prices of HK\$0.281 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to the Last Trading Date)

Both the Issue Price and the Subscription Price were determined after arm's length negotiations between the Company and the Placees, taking into account of the Company's past performance, the historic and prevailing market price of the Shares and the recent market conditions. The Directors are of the opinion that the Issue Price and the Subscription Price (which is at a premium) are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

**Adjustments to the Subscription Price:**

The Subscription Price will be subject to adjustments in certain events, including:

- (1) consolidation or sub-division of the Shares;

- (2) capitalization issue of the Shares by the Company (other than in lieu of a cash dividend);
- (3) capital distribution (as defined in the instrument creating the Warrants) made by the Company or grant of rights to acquisition of assets of the Group;
- (4) an offer or grant by the Company to Shareholders of new Shares for subscription by way of rights or of options or warrants to subscribe for new Shares, at a price less than 80% of the market price (calculated in accordance with the terms of the Warrants);
- (5) an issue for cash of convertible securities by the Company, if the total effective consideration is less than 80% of the market price (calculated in accordance with the terms of the Warrants), or the terms of any such issue being altered so that the said total effective consideration is less than 80% of the market price (calculated in accordance with the terms of the Warrants);
- (6) an issue for cash of Shares by the Company at less than 80% of the market price (calculated in accordance with the terms of the Warrants);
- (7) a cancellation of any Shares or convertible securities which have been purchased by the Company (other than on the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.

The Board considers that the above are normal anti-dilutive adjustment events.

**Number of Warrants to be issued:** 660,000,000 Warrants

**Subscription Period:** 36 months from (and inclusive of) the date of issue of the Warrants

The holders of Warrants shall not be entitled to exercise the subscription rights attaching to the Warrants to the extent that immediately after such exercise: (i) there will not be sufficient public float of the Shares as required under the GEM Listing Rules; and (ii) the holders of Warrants whether alone or together with parties acting in concert with it would be obliged to make a general offer under the Hong Kong Code on Takeovers and Mergers in force from time to time.

**Transferability:** The Warrants are transferable in whole amounts or in integral multiples of 1,000,000 Warrants. In the event of a transfer of the Warrants to a connected person of the Company, prior approval from the Company and the Stock Exchange shall be obtained.

**Ranking:** The Warrant Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the relevant Warrant Shares except that they will not be entitled to any rights for which the record date of the said rights precedes the date of the holder's name being registered in the register of members of the Company.

**Voting rights:** The holders of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holders of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

**Listing:** No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Warrant Share(s) which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

## **GENERAL MANDATE TO ISSUE THE WARRANT SHARES**

The issue of the Warrants and the issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants are not subject to the Shareholders' approval. The Warrant Shares will be issued pursuant to the General Mandate. The maximum number of new Shares which could be issued under the General Mandate is 660,995,877 Shares. As at the date of this announcement, save for the proposed issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants, the Company has not utilized the General Mandate.

## **REASONS FOR THE ISSUE OF WARRANTS AND USE OF PROCEEDS**

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs.

The Board considers that the issue of the Warrants is an appropriate mode of fund-raising for the Company, taking into account that: (i) although only a minimal amount may be raised from the initial subscription of the Warrants, the Company may receive a much larger sum of money if the subscription rights attaching to the Warrants are exercised in full; (ii) the subscription price is at a premium; (iii) issuing the Warrants can broaden the Shareholder and capital base of the Company; and (iv) the Warrants are not interest-bearing and will not result in any immediate dilution effect on the shareholding of the existing Shareholders. The net proceeds from the placing of Warrants are approximately HK\$19,470,000 and shall be applied as the general working capital of the Group and for financing potential investments or acquisitions should suitable opportunities arise.

Assuming the full exercise of the subscription rights attaching to the Warrants, the total gross and net funds to be raised, including the funds raised by the placing of Warrants, are approximately HK\$283,800,000 and HK\$283,470,000 respectively. The net proceeds of approximately HK\$283,470,000 shall be applied as the general working capital of the Group and for financing potential investments or acquisitions should suitable opportunities arise.

Assuming the full exercise of the subscription rights attaching to the Warrants, the net price of each Warrant, which is calculated by dividing the aggregate net proceeds from the placing of Warrants and from the exercise of the subscription rights attaching to the Warrants by the total number of the Warrants, is approximately HK\$0.4295.

The Directors consider that the Placing Agreements were entered into on normal commercial terms and that the terms of the Placing Agreements (including the Issue Price and the Subscription Price) are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

## **SHAREHOLDING STRUCTURE**

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of 660,000,000 Warrants Shares upon the exercise of subscription rights attaching to the Warrants in full (assuming that there will be no other change to the shareholding structure of the Company after the date of this announcement and no adjustment to the Subscription Price).

	<b>As at the date of this announcement</b>		<b>Immediately after the allotment and issue of the 660,000,000 Warrant Shares upon exercise of the subscription rights attaching to the Warrants in full</b>	
	<i>Number of Shares (Approximately)</i>	<i>%</i>	<i>Number of Shares (Approximately)</i>	<i>%</i>
Public Shareholders	3,397,673,033	95.28	3,397,673,033	80.40
Wong Wai Wa*	168,244,000	4.72	168,224,000	3.98
Placees	–	–	660,000,000	15.62
<b>Total:</b>	<b>3,565,897,033</b>	<b>100</b>	<b>4,225,897,033</b>	<b>100</b>

\*Note: Wong Wai Wa is an executive Director.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activity in the past twelve months prior to the date of this announcement.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Pursuant to Rule 21.02(1) of the GEM Listing Rules, the Warrant Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the total number of Shares in issue at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 23 of the GEM Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, the Company does not have any securities with subscription rights other than share options outstanding and not yet exercised. Assuming (i) full exercise of the subscription rights attaching to the Warrants; and (ii) no Shares are further issued and repurchased, an aggregate of 660,000,000 Warrant Shares will be issued, which represent (a) approximately 18.51% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 15.62% of the total number of Shares in issue as enlarged by the issue of the Warrant Shares. Accordingly, the issue of the Warrants is in compliance with Rule 21.02(1) of the GEM Listing Rules.

## GENERAL

**Shareholders and potential investors should note that the issue of Warrants is subject to the fulfillment of the Condition under the Placing Agreements and they are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“CCIF”	China CNNE International Finance Holding Group Limited, a company incorporated with limited liability in Hong Kong
“Company”	China E-Information Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8055)
“Completion”	completion of the Warrant Placing pursuant to the Warrant Placing Agreements
“Condition”	the condition precedent to the Completion
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 12 May 2017 to allot, issue and deal with up to 660,995,877 new Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



“Hong Kong Code on Takeovers and Merger”	Codes on Takeovers and Mergers and Share Buy-backs
“Issue Price”	HK\$0.03, being the issue price per Warrant payable by the Placees upon Completion
“Last Trading Day”	25 July 2017, being the last trading day of the Shares on which the Warrant Placing Agreements were entered into
“Long Stop Date”	5:00 p.m. on 25 September 2017, or such other date as may be agreed between the Company and each of the Placees
“Placee(s)”	<p>(i) Mr. Zhao Xi Bo, a PRC citizen (who subscribes for 35,000,000 Warrants);</p> <p>(ii) Mr. Fu Lei, a PRC citizen (who subscribes for 35,000,000 Warrants);</p> <p>(iii) CCIF (who subscribes for 590,000,000 Warrants)</p>
“Placing Agreement(s)”	the placing agreement(s) dated 25 July 2017 and entered into between the Company and each of the Placees in relation to the Warrants Placing
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Period”	36 months from (and inclusive of) the date of issue of the Warrants
“Subscription Price”	HK\$0.40 (subject to adjustment), being the subscription price per Warrant Share at which the holder of each Warrant may subscribe for the Warrant Shares

“Warrant(s)”	660,000,000 non-listed warrants to be issued by the Company at the Issue Price, each entitles the holder thereof to subscribe for one Warrant Share at the Subscription Price (subject to adjustment) at any time during the Subscription Period
“Warrant Placing”	the placing of the Warrants to the Placees pursuant to the Placing Agreements
“Warrant Share(s)”	the Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“Warranties”	the representations, warranties and undertakings of the Company and the Placees as set out in the Placing Agreements

By order of the Board  
**China E-Information Technology Group Limited**  
**Yuan Wei**  
*Executive Director*

Hong Kong, 25 July 2017

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Yuan Wei, Mr. Wong Wai Wa, Ms. Zhang Jianxin, Mr. Zheng Zhijing and Ms. Lin Yan; and three independent non-executive Directors, namely Dr. Huang Chung Hsing, Mr. Li Qunsheng and Ms. Li Ya Ru.*

*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 this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page and the website of the Company at [www.irasia.com/listco/hk/chieinfotech/](http://www.irasia.com/listco/hk/chieinfotech/) for at least 7 days from the date of its publication.*