

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company



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)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



宏大證券有限公司
Grand Cartel Securities Co. Ltd.

PLACING

On 26 January 2018 (after trading hours), the Placing Agreement was entered into between the Company and the Placing Agent, pursuant to which the Company has appointed the Placing Agent to procure altogether not less than six Placees, on a best effort basis, for subscribing up to an aggregate of 330,000,000 Placing Shares at HK\$0.35 per Placing Share. The Placing Price is exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable. The Placing is subject to the conditions set out below under the heading “Conditions of the Placing”.

The Placing Price represents (i) a discount of approximately 15.66% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 7.41% to the average closing price of HK\$0.378 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Last Trading Day.

The maximum number of Placing Shares represents (i) approximately 9.25% of the number of existing issued Shares of the Company as at the date of this announcement; and (ii) approximately 8.47% of the number of issued Shares of the Company as enlarged by the allotment and issue of the Placing Shares.

An application will be made to the GEM Listing Committee for the approval of the listing of and permission to deal in the Placing Shares.

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 12 May 2017.

Upon completion of the Placing (and assuming all the 330,000,000 Placing Shares are subscribed for), the gross proceeds and net proceeds arising from the Placing are estimated to be HK\$115.5 million and approximately HK\$113 million respectively. The Company intends to use the net proceeds as general working capital of the Group and for any possible acquisition and other investment opportunities in the future.

1. THE PLACING

On 26 January 2018 (after trading hours), the Placing Agreement was entered into between the Company (as issuer) and the Placing Agent (as placing agent). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placees

The Placing Shares will be placed on a best effort basis. The Placing Agent has agreed in the Placing Agreement that it will use its best efforts to, during the period from 26 January 2018 to 9 February 2018 (both days inclusive), procure the Placing Shares to be placed to altogether not less than six Placees, who (where applicable, and their ultimate beneficial owners) are Independent Third Parties.

If the number of Placees shall be less than six, the Company will issue a further announcement in accordance with the GEM Listing Rules.

It is expected that none of the Placees will become a substantial Shareholder immediately after completion of the Placing.

Number of Placing Shares

The Placing Agent has agreed to procure, on a best effort basis, Places to subscribe for up to 330,000,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement.

The aggregate nominal value of all the 330,000,000 Placing Shares is HK\$33,000,000. The maximum number of Placing Shares represents (i) approximately 9.25% of the total number of 3,565,897,033 existing issued Shares as at the date of this announcement; and (ii) approximately 8.47% of the number of issued Shares of the Company as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing.

Placing Price

The Placing Price is HK\$0.35 per Placing Share exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable. The net placing price (net of commissions and expenses) is approximately HK\$0.342 per Placing Share.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent on the date of Placing Agreement with reference to recent market prices of the Shares. The Placing Price represents (i) a discount of approximately 15.66% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 7.41% to the average closing price of HK\$0.378 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Last Trading Day.

Placing Commission

The Placing Agent will receive a placing commission of 2% of the aggregate Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission was arrived at arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission of 2% is on normal commercial terms and is fair and reasonable so far as the Shareholders are concerned.

Disposal and lock-up restriction

The Placing Shares are not subject to any lock-up or other disposal restriction under the terms of the Placing Agreement.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (A) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (B) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

Completion of the Placing

Completion of the Placing, in any event, will take place on the second business day after the fulfillment of the conditions above or such other date to be agreed between the Company and the Placing Agent. If the above conditions are not satisfied on or before 9 February 2018 or such other date to be agreed in writing between the Company and the Placing Agent, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Mandate to allot and issue new Shares

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 12 May 2017. The Company is authorised to issue 660,995,877 Shares under such mandate.

Prior to the date of the Placing Agreement, the Company has not utilised any of the power to allot and issue any new Shares pursuant to such mandate and therefore it has the power to allot and issue up to 660,995,877 Shares under such mandate. Accordingly, the issue of the Placing Shares is not subject to the Shareholders' approval.

Ranking

The Placing Shares will rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Placing.

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 9:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement, or the previous announcements of the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive business days (other than as a result of or in connection with the Placing); or
- (6) any event of force majeure (being an event beyond the control of the parties hereto and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties thereunder.

2. CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming there is no change to the shareholding structure of the Company from the date of this announcement and up to completion of the Placing other than the allotment and issue of the Placing Shares) are as follows:

	As at the date of this announcement		Shareholding immediately after Completion of the Placing	
	<i>Number of Shares</i>	<i>% (Approximately)</i>	<i>Number of Shares</i>	<i>% (Approximately)</i>
China Shipbuilding Capital Limited*	428,680,000	12.02	428,680,000	11.00
Public Shareholders				
Placees	0	0.00	330,000,000	8.47
Other public Shareholders	<u>3,137,217,033</u>	<u>87.98</u>	<u>3,137,217,033</u>	<u>80.53</u>
Total	<u><u>3,565,897,033</u></u>	<u><u>100.00</u></u>	<u><u>3,895,897,033</u></u>	<u><u>100.00</u></u>

* Out of the 428,680,000 Shares, 31,864,000 Shares are held by CSIC Investment One Limited, a subsidiary of China Shipbuilding Capital Limited.

As disclosed in the above shareholding table, immediately after the completion of the Placing, over 25% of the issued share capital of the Company will be in the public hands (including the Placees).

3. REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in e-commerce, provision of occupational education industry certification course, skills training and education consultation. Upon completion of the Placing (and assuming all the 330,000,000 Placing Shares will be placed), the gross proceeds arising from the Placing are estimated to be HK\$115.5 million and the net proceeds, after deducting related Placing commission, professional fees and all related expenses, arising from the Placing are estimated to be approximately HK\$113 million, which is intended to be used as general working capital of the Group and for any possible acquisition and other investment opportunities in the future.

The Board is of the view that the Placing will strengthen the financial position (in particular, the working capital and cash flow position) of the Group and broaden the Shareholder base of the Company. As the Company is actively exploring for business opportunities to diversify risk and broaden the sources of income of the Group, sufficient cash reserve is crucial for the development of the Company. The cash reserve is able to foster the on-going business operations, continue to centralize the corporate objective of developing current businesses in order to strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to Shareholders.

The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreement and the Placing Price to be fair and reasonable so far as the Shareholders are concerned and the Placing is in the best interests of the Company and the Shareholders as a whole.

4. FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activities in the past twelve months immediately prior to the Last Trading Date.

5. APPLICATION FOR LISTING

An application will be made to the GEM Listing Committee for granting the listing of, and permission to deal in, the Placing Shares.

As the Placing is conditional, there is no assurance that the Placing will proceed. Shareholders and potential investors of the Company are advised exercise caution in dealing in the Shares. The Company will publish an announcement upon completion or lapse of the Placing.

6. DEFINITIONS

The following defined terms are used in this announcement:

“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“business day”	any day (excluding a Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“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
“Completion Date”	the second business day after the fulfilment of the conditions precedent under the paragraph headed “Conditions of the Placing” or such other date as the Company and the Placing Agent may agree in writing
“connected person”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange which is responsible for GEM listing matters
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third party(ies) who is(are) independent of and not connected with the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or associated companies, or any of their respective associates
“Last Trading Day”	26 January 2018, being the last trading day in the Shares prior to the issue of this announcement
“Placees”	the placees to be procured by the Placing Agent pursuant to the terms and conditions of the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	Grand Cartel Securities Company Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement dated 26 January 2018 made between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the price of HK\$0.35, being the subscription price of each Placing Share
“Placing Shares”	up to 330,000,000 new Shares to be subscribed by the Placees in accordance with the terms of the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 26 January 2018

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Yuan Wei, Ms. Zhang Jianxin, Mr. Zheng Zhijing, Ms. Lin Yan and Ms. Wong Hiu Pui; and three independent non-executive Directors, namely, Mr. Li Qunsheng, Mr. Wang Xinsheng and Ms. Lu Xiaowei. 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 <http://www.irasia.com/listco/hk/chieinfotech/for> at least 7 days from the date of its publication.