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Hong Kong Education (Int'l) Investments Limited
香港教育（國際）投資集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1082)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



國農證券
China Demeter Securities

After trading hours on 30 September 2016, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Placing Agent to procure, on a best endeavour basis, Placees to subscribe for up to 91,256,000 Placing Shares at a price of HK\$0.663 per Placing Share.

The maximum number of Placing Shares (being 91,256,000 Placing Shares) represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company from the date of this announcement up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$4,562,800.

Assuming the maximum number of the Placing Shares is placed, the maximum gross proceeds from the Placing will be approximately HK\$60.50 million and the maximum net proceeds from the Placing are estimated to be approximately HK\$58.22 million (representing a net issue price of approximately HK\$0.638 per Placing Share). It is expected that the net proceeds from the Placing will be utilised as general working capital of the Group and/or for financing the Group's future investment opportunities (including but not limited to property investment and/or securities investment).

The Placing Price of HK\$0.663 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents: (i) a discount of 15.00% to the closing price of HK\$0.780 per Share as quoted on the Stock Exchange on 30 September 2016, which is the date of the Placing Agreement; and (ii) a discount of approximately 12.53% to the average closing price of HK\$0.758 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 27 November 2015. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date:

30 September 2016

Issuer:

The Company

Placing Agent:

China Demeter Securities Limited

The Placing Agent has conditionally agreed to procure, on a best endeavour basis, Placees to subscribe for up to 91,256,000 Placing Shares. The Placing Agent will receive a placing commission of 3.50% of the aggregate Placing Price of the Placing Shares successfully placed by the Placing Agent and its sub-placing agent(s) on behalf of the Company pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent, its sub-placing agent(s) and their ultimate beneficial owners are Independent Third Parties.

Placees:

The Placing Shares are to be placed on a best endeavour basis to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price:

The Placing Price of HK\$0.663 per Placing Share represents:

- (i) a discount of 15.00% to the closing price of HK\$0.780 per Share as quoted on the Stock Exchange on 30 September 2016, which is the date of the Placing Agreement; and
- (ii) a discount of approximately 12.53% to the average closing price of HK\$0.758 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to, among other matters, the prevailing market prices of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$60.50 million and the net proceeds from the Placing will be approximately HK\$58.22 million (after deduction of commission and other expenses of the Placing). On such basis, the net issue price will be approximately HK\$0.638 per Placing Share.

Placing Shares:

The maximum number of Placing Shares (being 91,256,000 Placing Shares) represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company from the date of this announcement up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$4,562,800.

Ranking:

The Placing Shares will rank, when issued and fully paid up, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing:

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement on or before 20 October 2016 (“**Long Stop Date**”).

If the above condition is not satisfied on or before the Long Stop Date, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and neither of the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breach of any obligation thereunder; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements).

Completion:

Completion of the Placing shall take place at 12:00 noon on the fifth Business Day after the fulfilment of the condition pursuant to the Placing Agreement or on such other date as the Company and the Placing Agent may agree in writing.

Force majeure:

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 8:00 a.m. on the date of completion of the Placing 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 event of force majeure (being an event beyond the control of the parties 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 under the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Since completion of the Placing is subject to the fulfilment of the condition as set out above, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 27 November 2015. As at the date of the AGM, there were 2,281,574,400 Pre-Consolidated Shares in issue. At the special general meeting of the Company held on 10 March 2016, a resolution was passed pursuant to which every five (5) issued and unissued Pre-Consolidated Shares were consolidated into one (1) Share and the Share Consolidation became effective on 11 March 2016. Accordingly, the Company is authorised to issue up to 91,262,976 Shares (equivalent to 456,314,880 Pre-Consolidated Shares) pursuant to the General Mandate. The Company has not exercised the power to allot and issue any new Pre-Consolidated Shares or Shares pursuant to the General Mandate as at the date of this announcement.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

REASONS AND USE OF PROCEEDS OF THE PLACING

The Group is principally engaged in the provision of private educational services, investment in securities, property investments and money lending business.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

As disclosed above, assuming the maximum number of the Placing Shares is placed, the net proceeds from the Placing are estimated to be approximately HK\$58.22 million. It is expected that the net proceeds from the Placing will be utilised as general working capital of the Group and/or for financing the Group's future investment opportunities (including but not limited to property investment and/or securities investment).

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company had not carried out any fund raising activities involving any issue of equity securities in the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing is completed in full and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out as below:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Beautiful Choice Investments Limited (<i>Note</i>)	37,472,960	8.21	37,472,960	6.84
Deng Jianqiang	62,609,600	13.72	62,609,600	11.43
The Placees	–	–	91,256,000	16.67
Other public Shareholders	<u>356,232,320</u>	<u>78.07</u>	<u>356,232,320</u>	<u>65.06</u>
	<u>456,314,880</u>	<u>100.00</u>	<u>547,570,880</u>	<u>100.00</u>

Note: Beautiful Choice Investments Limited is owned as to 100% by Mr. Lee Wai Lok, Ignatious, an executive Director of the Company, and therefore Mr. Lee Wai Lok, Ignatious is deemed to be interested in the 37,472,960 Shares held by Beautiful Choice Investments Limited by virtue of the SFO.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 27 November 2015 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning as ascribed to it in the Listing Rules

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Hong Kong Education (Int’l) Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or grant additional 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 People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons or any of their respective associates
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing

“Placing”	the placing of the Placing Shares by the Placing Agent and/or its sub-placing agent(s), on a best endeavour basis, of up to 91,256,000 Placing Shares to be allotted and issued to the Placees pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	China Demeter Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 30 September 2016 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.663 per Placing Share
“Placing Shares”	a maximum of 91,256,000 Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“Pre-Consolidated Shares”	ordinary share(s) of HK\$0.01 each in the capital of the Company before the Share Consolidation
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Consolidation”	the consolidation of every five (5) issued and unissued Pre-Consolidated Shares into one (1) Share which became effective on 11 March 2016

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

By order of the Board

Hong Kong Education (Int'l) Investments Limited

Lee Wai Lok, Ignatious

Executive Director

Hong Kong, 30 September 2016

As of the date of this announcement, the executive Directors are Mr. Wong Yuk Tong, Mr. Lee Wai Lok, Ignatious and Ms. Wu Mei Chu; and the independent non-executive Directors are Mr. Ong Chi King, Mr. Lee Shu Fai and Mr. Pun Kwok Shan.