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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)**

## **DISCLOSEABLE TRANSACTION – INVESTMENT IN FUND**

The Board is pleased to announce that on 22 March 2017, the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for, subject to acceptance by the Fund, 7,750 Participating Shares in the Fund with a subscription amount of US\$7.75 million (equivalent to HK\$60.45 million), on the terms of the Private Offering Memorandum.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## THE SUBSCRIPTION

The Board is pleased to announce that on 22 March 2017, the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for, subject to acceptance by the Fund, 7,750 Participating Shares in the Fund with a subscription amount of US\$7.75 million (equivalent to HK\$60.45 million), on the terms of the Private Offering Memorandum.

The principal terms of the Subscription Agreement are as follows:

Date : 22 March 2017

Parties : (i) Wise Action Limited as subscriber; and  
(ii) Heemin Capital Global Enhanced Yield Bond Fund

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fund and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets acquired : 7,750 Participating Shares, which are Class A Shares

Subscription Amount : The subscription price for each Participating Share being offered is US\$1,000 (equivalent to HK\$7,800). The total Subscription Amount of US\$7.75 million (equivalent to HK\$60.45 million) has been paid in cash upon signing of the Subscription Agreement.

Subscription fee : The Subscriber is required to pay a subscription fee of 1.08% of the Subscription Amount to the Fund, being US\$83,700.

Acceptance : The Subscription Agreement will not be binding on the Fund unless and until it is accepted by the Fund. Unless and until the application of the Subscription is rejected by the Fund, the Subscriber shall not be entitled to cancel, terminate, or revoke the application of the Subscription.

## INFORMATION ON THE FUND

The Fund is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law (Revised) of the Cayman Islands. It was incorporated on 15 November 2016. The Fund has been structured as an open-ended investment fund to allow its shareholders to collectively invest in pursuit of its investment objective. Further details of the Fund are as follows:

Investment objective : The principal focus of the Fund is to invest in low-risk investment grade bonds (above BB- S&P credit rating) worldwide to generate stable but more attractive income than those offered by bond market in the Greater China region.

Management : Heemin Capital Investment Management Limited serves as the investment manager of the Fund.

The directors of the Fund have overall responsibility for the management and administration of the Fund but they have delegated to the Investment Manager the investment management responsibilities. The Investment Manager shall have full discretion and authority to manage, invest and reinvest the assets of the Fund in pursuit of the investment objective and in accordance with the investment strategies and restrictions described in the Private Offering Memorandum.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the directors of the Fund, the Investment Manager and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Classes and rights of Participating Shares : Participating Shares may be issued in different classes. The directors of the Fund have initially designated one class, being Class A Shares, which are offered under the terms of the Private Offering Memorandum.

Participating Shares within each class carry an equal right to such dividends as the directors of the Fund may declare.

On a winding-up of the Fund, the Participating Shares are entitled to the full amount of the assets of the Fund other than the paid-up capital of US\$0.01 per Management Share. The surplus assets of the Fund attributable to each class will be distributed among the holders of Participating Shares of that class according to the number of such Participating Shares held by each of them.

Except as in the situation of modifications of rights attaching to a class, the holders of Participating Shares have no right to vote.

Redemptions : Participating Shares may be redeemed at the option of the holder on any Redemption Day. However, a redemption fee of 1.5% of the redemption proceeds will be charged on the redemption of the Class A Shares which have been in issue for less than 12 calendar months.

Participating Shares will be redeemed at the relevant redemption price, which equals the net asset value per share of the relevant class as at the Valuation Point on the Valuation Day immediately preceding the relevant Redemption Day.

Redemption proceeds will normally be paid in cash by electronic transfer at the Subscriber's risk and expense. However, in certain circumstances, the Fund may effect the payment of redemption proceeds by way of a transfer of assets or partly in cash and partly by way of a transfer of assets.

Restrictions on transfer : Participating Shares may only be transferred to persons who are Eligible Investors and with the prior written consent of the directors of the Fund.

Dividends : It is not envisaged that any income or gains will be distributed by way of dividend. This does not preclude the directors of the Fund from declaring a dividend at any time in the future if they consider it appropriate to do so.

Fees and expenses : The Fund will pay the Investment Manager a Management Fee of one twelfth of 1.08% per month of the net asset value of the Class A Shares (before deduction of that month's Management Fee and before making any deduction for any accrued Performance Fees) as at the last Valuation Day in each month.

The Investment Manager will also be entitled to receive a Performance Fee from the Fund, calculated on a share-by-share basis. For each Performance Period, the Performance Fee in respect of each Participating Share will be equal to 20% of the appreciation in the net asset value per share of the relevant class during the Performance Period above the High Water Mark plus the hurdle rate. If the net asset value of the relevant class of Participating Share is not above the High Water Mark plus the hurdle rate at the end of a Performance Period, no Performance Fee will be payable in respect of that Performance Period. The hurdle rate is 7.00% per annum on the relevant High Water Mark calculated on a simple straight-line basis.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Group is principally engaged in the provision of private educational services, investment in securities, property investments and money lending business. The Subscriber is an indirect wholly-owned subsidiary of the Company and is principally engaged in securities investment.

Taking into account that the Fund will invest in low-risk investment grade bonds worldwide other than in the Greater China region, the Directors (including the independent non-executive Directors) believe that the Subscription helps broaden and diversify the investment portfolio of the Group to global debt securities and provides the Group with stable and attractive income.

The Board (including the independent non-executive Directors) is of the view that the terms of the Subscription Agreement and the Private Offering Memorandum and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Class A Share”	a Participating Share designated as a Class A Share
“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

“Director(s)”	the director(s) of the Company
“Eligible Investor”	a person to whom the Fund can lawfully make an invitation to subscribe for Participating Shares without compliance with any registration or other legal requirements, who is able to acquire and hold Participating Shares without breaching the law or requirements of any country, regulatory body or government authority and who satisfies such eligibility requirements as may be determined by the directors of the Fund from time to time
“Fund”	Heemin Capital Global Enhanced Yield Bond Fund, an exempted company incorporated in the Cayman Islands with limited liability
“Group”	the Company and its subsidiaries
“High Water Mark”	in relation to any Participating Share, the greater of the net asset value per share of the relevant class at the time of issue of that Participating Share, and the highest net asset value per share of the relevant class in respect of which a Performance Fee (other than a performance fee redemption) has been charged at the end of any previous Performance Period (if any) during which such Participating Share was in issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Manager”	Heemin Capital Investment Management Limited, an exempted company incorporated in the Cayman Islands with limited liability, or such other person as may be appointed as investment manager in relation to the assets of the Fund from time to time

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fee”	the management fee payable by the Fund to the Investment Manager
“Management Share”	a non-participating voting share of par value US\$0.01 in the capital of the Fund
“Participating Share”	a participating non-voting share of par value US\$0.01 in the capital of the Fund
“Performance Fee”	the performance fee payable by the Fund to the Investment Manager
“Performance Period”	a period of 12 calendar months commencing on each 1 January, provided that the first Performance Period in respect of any Participating Share will be the period commencing on the date such Participating Share is issued and ending on the next following 31 December
“Private Offering Memorandum”	the private offering memorandum issued by the Fund in relation to the offering of Participating Shares in the Fund
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.
“Redemption Day”	the first business day of each calendar month and/or such other day or days as the directors of the Fund may determine
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Wise Action Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company



“Subscription”	the subscription of 7,750 Participating Shares of the Fund under the terms of the Subscription Agreement and the Private Offering Memorandum
“Subscription Agreement”	the subscription agreement dated 22 March 2017 entered into between the Subscriber and the Fund in relation to the Subscription
“Subscription Amount”	the subscription amount of US\$7.75 million for the Subscription
“Subscription Day”	the first business day of each calendar month and/or such other day or days as the directors of the Fund may determine
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Day”	the business day immediately preceding each Redemption Day and each Subscription Day and/or such other day or days as the directors of the Fund may determine
“Valuation Point”	the close of business in the last market relevant to the Fund to close on each Valuation Day or such other time as the directors of the Fund may determine
“%”	per cent.

*In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1 to HK\$7.80. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

By order of the Board  
**Hong Kong Education (Int’l) Investments Limited**  
**Lee Wai Lok, Ignatious**  
*Executive Director*

Hong Kong, 22 March 2017

*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.*