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China Chuanglian Education Group Limited
中國創聯教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2371)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF 100% EQUITY INTEREST OF
THE TARGET COMPANY**

THE ACQUISITION

The Board is pleased to announce that on 27 April 2017 (after trading hours), the Purchaser entered into the Equity Transfer Agreement with the Vendors, pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell 100% of the equity interest of the Target Company, for a total cash consideration of RMB10,000,000.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE EQUITY TRANSFER AGREEMENT

Parties

Date: 27 April 2017

Parties: Chuanglian Asset, as the Purchaser;
Ms. Wu Chaomei (吳超美), as Vendor A;
Mr. Fu Yi (傅毅), as Vendor B; and
Ms. Wu Zhenmo (吳真墨), as Vendor C.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be acquired

The Purchaser agreed to acquire and the Vendors agreed to sell 100% of the equity interest of the Target Company.

Upon completion of the Acquisition, the Target Company will become an indirect subsidiary of the Company.

Consideration and payment terms

The Consideration for the Acquisition is RMB10,000,000, which shall be settled in cash in the following manner:

1. RMB6,000,000, representing 60% of the Consideration, shall be deposited at the bank account prescribed by Vendor A and Vendor A would proceed the related change of business registration in the PRC within three days from the date of receipt of the said amount;
2. RMB2,000,000, representing 20% of the Consideration, shall be deposited at the bank account prescribed by Vendor B and Vendor B would proceed the related change of business registration in the PRC within three days from the date of receipt of the said amount; and
3. RMB2,000,000, representing 20% of the Consideration, shall be deposited at the bank account prescribed by Vendor C and Vendor C would proceed the related change of business registration in the PRC within three days from the date of receipt of the said amount.

After obtaining the 100% equity interest of the Target Company, the Purchaser will process with the capital injection in the Target Company.

The Consideration has been determined after arm's length negotiations between the Purchaser and the Vendors after taking into account, among others, (i) the financial and operating conditions of the Target Company; (ii) the competitive strengths of the Target Company in particular the network of clients of the existing management of the Target Company; and (iii) the business prospect of the Target Company, in particular the development of insurance industry in the PRC.

Conditions Precedent

Completion of the Equity Transfer Agreement shall be conditional upon, inter alia:

- (i) Purchaser having become the registered shareholder of the Target Company;
- (ii) each of the board of directors or the general meeting of the Target Company having approved the Equity Transfer Agreement and the transactions contemplated thereunder;
- (iii) the confirmation and signing of two commitment letters annexed with the Equity Transfer Agreement by the Vendor A and Vendor B; and
- (iv) the Company having arranged and obtained all necessary reportings and approvals from the relevant authorities (including but not limited to the CIRC, the Stock Exchange and relevant government authorities) in relation to the Equity Transfer Agreement and the transactions contemplated thereunder.

If any of the conditions set out above is not fulfilled on any date as agreed between the Purchaser and the Vendors in writing, then the Equity Transfer Agreement will lapse while each party's rights and obligations already accrued under the Equity Transfer Agreement will not be affected.

Completion

Completion shall take place on any date after all the above conditions precedent have been fulfilled (or such later date as agreed between the Purchaser and the Vendors in writing).

INFORMATION ABOUT THE VENDORS

There is a total of 3 Vendors pursuant to the Equity Transfer Agreement and all of them are individual shareholders of the Target Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its connected persons.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability, its business scope is formulating insurance proposals for insured person; selecting insurers and handling insurance formalities; assisting insured person or beneficiaries in claims; operating a reinsurance brokering business; providing consultation services in disaster and loss prevention, risk assessment and risk management; and other businesses approved by the CIRC (enterprises shall autonomously select operating items and operate according to the laws; items that shall be approved according to the laws can be operated upon approval of relevant departments; enterprises shall not engage in operations prohibited by industrial policies and in respect of restricted items in Beijing).

Financial information of the Target Company

Set out below are certain audited financial information of the Target Company for the years ended 31 December 2015 and 2016 respectively:

	For the year ended 31 December 2015	For the year ended 31 December 2016
	<i>Audited</i> <i>RMB'000</i>	<i>Audited</i> <i>RMB'000</i>
Revenue	1,835	4,907
Loss before taxation	85	15
Net loss	85	15

	As at 31 December 2015	As at 31 December 2016
	<i>Audited</i> <i>RMB'000</i>	<i>Audited</i> <i>RMB'000</i>
Total assets	10,660	12,334
Net assets	8,901	8,885

The Target Company will become an indirect subsidiary of the Company upon Completion, and its assets and liabilities and its profits and losses will be consolidated into the consolidated financial statements of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of the online training and education services.

The Directors consider that the Acquisition would enable the Group to operate in coordination with the Group's overall business development. Also, as the terms of the Equity Transfer Agreement were determined after arm's length negotiations between the parties thereto, the Directors are of the view that the terms of the Equity Transfer Agreement (including the basis of Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Directors consider that the Acquisition will not cause any material adverse impact to the business, operations and financial position of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Equity Interest in the Target Company by Chuanglian Asset from the Vendors pursuant to the Equity Transfer Agreement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	board of Directors
“CIRC”	China Insurance Regulatory Commission* (中國保險監督管理委員會)
“Chuanglian Asset” or “Purchaser”	Beijing Chuanglian Asset Management Limited* (北京創聯資產管理有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“Company”	China Chuanglian Education Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendors for the Acquisition which will be RMB10,000,000
“Director(s)”	director(s) of the Company
“Equity Interest”	the entire equity interest in the Target Company owned by the Vendors

“Equity Transfer Agreement”	the conditional equity transfer agreement dated 27 April 2017 entered into amongst Chuanglian Asset, the Vendor A, the Vendor B and the Vendor C in relation to the sale and purchase of the Equity Interest
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“RMB”	Renminbi, the lawful currency in the PRC
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Beijing Zhongjin Insurance Brokerage Limited* (北京中金保險經紀有限公司)
“Vendor A”	Ms. Wu Chaomei (吳超美), holds as to 60% of the equity interest of the Target Company who intends to sell her said equity interest directly to Chuanglian Asset pursuant to the Equity Transfer Agreement
“Vendor B”	Mr. Fu Yi (傅毅), holds as to 20% of the equity interest of the Target Company who intends to sell his said equity interest directly to Chuanglian Asset pursuant to the Equity Transfer Agreement
“Vendor C”	Ms. Wu Zhenmo (吳真墨), holds as to 20% of the equity interest of the Target Company who intends to sell her said equity interest directly to Chuanglian Asset pursuant to the Equity Transfer Agreement
“Vendors”	collectively referred to the Vendor A, Vendor B and Vendor C

“%”

per cent

By order of the Board
China Chuanglian Education Group Limited
Lu Xing
Chairman

Hong Kong, 27 April 2017

As at the date of this announcement, the Board comprises Mr. Lu Xing (Chairman), Mr. Li Jia, Mr. Wu Xiaodong, Mr. Wang Cheng and Mr. Li Dongfu as executive Directors; and Mr. Leung Siu Kee, Mr. Wu Yalin and Ms. Wang Shuping as independent non-executive Directors.

** For identification purposes only*