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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)

**MAJOR TRANSACTION –
POSSIBLE DISPOSAL(S) OF CONVOY SHARES**

THE PROPOSAL

As at the date of this announcement, the Group, through Fastek, holds an aggregate of 348,904,000 Convoy Shares. The Company intends to seek the Shareholders' approval for the Proposal which involves the possible disposal(s) of the Convoy Shares held by the Group on the market through the Stock Exchange. Details of the Proposal are set out below.

The Directors will consider from time to time if the Group shall dispose of the Convoy Shares with reference to the Group's resources and needs and market development, and anticipate that the Group will only dispose of the Convoy Shares in circumstances where the Disposal is in the interests of the Company and the Shareholders as a whole. The obtaining of the mandate from the Shareholders in advance under the Proposal is to enable the Board to act promptly, effectively and efficiently to respond to the changing market conditions.

GENERAL

The Proposal (when aggregate with the Previous Disposals), if effected, will constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is accordingly subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened for the purpose of considering and, if thought fit, approving the Proposal and the Disposal(s) contemplated thereunder. Since additional time is required for the preparation of the circular, the circular containing, among other things, details of the Proposal and further information of the Group, together with the notice of the SGM, will be despatched to the Shareholders on or before 24 November 2017.

THE PROPOSAL

As at the date of this announcement, the Group, through Fastek, holds an aggregate of 348,904,000 Convoy Shares. Based on publicly available information, these Convoy Shares represent approximately 2.34% of the issued share capital of Convoy as at the date of this announcement.

The Company intends to seek the Shareholders' approval for the Proposal which involves the possible disposal(s) of the Convoy Shares held by the Group on the market through the Stock Exchange.

The Board will consider from time to time if the Group shall dispose of the Convoy Shares. In case the Board decides to effect the Disposal(s), each Disposal will be effected on the following conditions:

- (1) the Disposal will be conducted on normal commercial terms and will be fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (2) the consideration of the Disposal will be settled in cash;
- (3) the selling price of each Convoy Share will not be less than HK\$0.19 ("**Minimum Price**"); and
- (4) the mandate to be obtained from the Shareholders for the Disposal(s) will be valid for a period of 12 months from the date on which the Proposal is approved by the Shareholders.

As the Disposal(s) will be conducted on the market through the Stock Exchange, the identity of the counterparty to the Disposal(s) cannot be ascertained. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchaser(s) of such 348,904,000 Convoy Shares and their ultimate beneficial owners shall be Independent Third Parties.

The Directors noted that the price at which each Convoy Share was traded on the Stock Exchange during the past three months have remained above the audited carrying value of each Convoy Share as at 30 June 2017 ("**Carrying Value**") of HK\$0.115. Taking into account the recent trading prices and trading volume of the Convoy Shares and the Carrying Value, the Minimum Price is set at HK\$0.19, which represents:

- (1) the lowest trading price of each Convoy Share on the last 10 consecutive trading days up to (and including) the Last Trading Day;
- (2) a premium of approximately 65.22% over the Carrying Value of HK\$0.115;

- (3) a premium of approximately 72.73% over the lowest price at which the Convoy Shares were traded on the Stock Exchange during the 180 consecutive trading days up to and including the Last Trading Day of HK\$0.11; and
- (4) a discount of approximately 1.04% to the closing price per Convoy Share of HK\$0.192 on the Last Trading Day.

The Minimum Price is not the expected price at which the Group targets to dispose of the Convoy Shares, but the setting of the Minimum Price is to (i) allow the Shareholders to make an informed decision to vote on the resolution in respect of the Proposal; and (ii) if the Proposal is approved by the Shareholders, to allow adequate flexibility for the Group during the 12-month mandate period act promptly, effectively and efficiently to respond to the changing market conditions so as to protect the interests of the Company and the Shareholders.

The audited carrying value of such 348,904,000 Convoy Shares as at 30 June 2017 was approximately HK\$40,124,000. For illustration purpose only, if the Group disposes of all such 348,904,000 Convoy Shares at the Minimum Price, the aggregate gross proceeds to be received by the Group will be approximately HK\$66,292,000 and the net proceeds to be received by the Group are estimated to be approximately HK\$66,075,000. On such basis, the Group will record a gain of approximately HK\$26,168,000 upon completion of the Disposal(s), being the difference between the aggregate consideration of the Disposal(s) and the audited carrying value of such 348,904,000 Convoy Shares as at 30 June 2017. The actual gain or loss that may be recorded by the Group as a result of the Disposal(s) will be subject to audit and the actual price that such Convoy Shares can be sold.

If the Group disposes of all such 348,904,000 Convoy Shares pursuant to the Proposal, it will cease to have any interest in Convoy.

It is intended that the Group will apply the net proceeds of the Disposal(s) (i) to finance the possible mergers and acquisitions of the Group in the future; (ii) to support the development of the existing business of the Group; and (iii) as general working capital of the Group.

INFORMATION OF CONVOY GROUP

Convoy is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1019). The Convoy Group is principally engaged in the independent financial advisory business, money lending business, proprietary investment business, asset management business, corporate finance advisory business and securities dealing business.

Set out below is a summary of certain audited consolidated financial information of the Convoy Group for the two years ended 31 December 2015 and 31 December 2016 (as extracted from the 2016 annual report of Convoy):

	For the year ended 31 December 2016 (HK\$'000)	For the year ended 31 December 2015 (HK\$'000)
Revenue	1,205,145	604,624
Loss before taxation	(65,008)	(499,703)
Loss after taxation	(104,210)	(484,140)

The unaudited consolidated total asset value and net asset value of the Convoy Group as at 30 June 2017 were approximately HK\$6,193,639,000 and HK\$4,782,147,000 respectively.

REASONS FOR AND BENEFITS OF THE PROPOSAL

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

Given that a substantial loss in fair value of the Convoy Shares held by the Group was recorded during the year ended 30 June 2017, the Directors decide to take a more prudent approach in its securities investments and hence wish to realise the investments in the Convoy Group. The Directors believe that the Proposal can facilitate the Group to realise its investment in Convoy on a timely manner and within a commercially expedient time frame. The 12-month mandate period under the Proposal is reasonable as the Directors can then have a reasonable time span to observe the price movement of the Convoy Shares and realise the Group's investment in Convoy at the appropriate time. As such, the Directors considered that the Proposal is in the interests of the Company and the Shareholders as a whole.

Given the Disposal(s) will be made in the open market of the Stock Exchange, the Convoy Shares will be sold at prevailing market prices and the Directors (including the independent non-executive Directors) consider that the terms of the Disposal(s) will be on normal commercial terms and be fair and reasonable.

The Directors will consider from time to time if the Group shall dispose of the Convoy Shares with reference to the Group's resources and needs and market development, and anticipate that the Group will only dispose of the Convoy Shares in circumstances where the Disposal is in the interests of the Company and the Shareholders as a whole. The obtaining of the mandate from the Shareholders in advance under the Proposal is to enable the Board to act promptly, effectively and efficiently to respond to the changing market conditions.

GENERAL

During the 12-month period immediately before the date of this announcement, the Group has disposed of an aggregate of 351,092,000 Convoy Shares on the market through the Stock Exchange for an aggregate consideration of approximately HK\$68,682,000 (excluding stamp duty and related expenses), representing an average price of approximately HK\$0.196 per Convoy Share.

The Proposal (when aggregated with the Previous Disposals), if effected, will constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is accordingly subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Upon approval by the Shareholders of the Proposal, the Company will closely monitor any Disposal and ensure that the Disposal(s) (whether standalone or aggregated with the Previous Disposals) will not give rise to very substantial disposal for the Company under Chapter 14 of the Listing Rules. If such event occurs, the Company will either discontinue with such Disposal or adhere to any additional requirements under the Listing Rules, including the seeking of further approval from the Shareholders, if required, before proceeding with such Disposal.

The SGM will be convened for the purpose of considering and, if thought fit, approving the Proposal and the Disposal(s) contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Proposal and the Disposal(s) contemplated thereunder and no Shareholder will be required to abstain from voting on the resolution to be proposed at the SGM.

Since additional time is required for the preparation of the circular, the circular containing, among other things, details of the Proposal and further information of the Group, together with the notice of the SGM, will be despatched to the Shareholders on or before 24 November 2017.

DEFINITION

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

“Board”	the board of Directors
“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 as ascribed to it in the Listing Rules

“Convoy”	Convoy Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1019)
“Convoy Group”	Convoy and its subsidiaries
“Convoy Shares”	share(s) of HK\$0.10 each in the share capital of Convoy
“Director(s)”	the director(s) of the Company
“Disposal(s)”	the possible further disposal(s) of the Convoy Shares held by the Group as contemplated under the Proposal
“Fastek”	Fastek Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Last Trading Day”	20 October 2017, being the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposals”	the disposals of an aggregate of 351,092,000 Convoy Shares by the Group within the 12-month period immediately before the date of this announcement
“Proposal”	the proposal to be put forward for approval by the Shareholders at the SGM for the Disposal(s)

“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Proposal and the Disposal(s) contemplated thereunder
“Shareholder(s)”	shareholder(s) of the Company
“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

20 October 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.