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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**



The Board wishes to announce that after trading hours on 27 July 2020, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 33,500,000 Placing Shares at a price of HK\$0.90 per Placing Share.

The maximum number of Placing Shares (being 33,500,000 Placing Shares) represents (i) approximately 6.12% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.77% 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\$1,675,000.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the maximum gross proceeds from the Placing will be HK\$30.15 million and the maximum net proceeds from the Placing are estimated to be approximately HK\$29.40 million (representing a net issue price of approximately HK\$0.88 per Placing Share, after deduction of commission and other expenses of the Placing). It is intended that the net proceeds from the Placing will be utilised as to (i) approximately HK\$7.80 million for repayment of other borrowings; (ii) approximately HK\$12.00 million for the operation of the private educational services segment and (iii) the remaining balance of approximately HK\$9.60 million as general working capital of the Group.

The Placing Price of HK\$0.90 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents: (i) a discount of approximately 8.16% to the closing price of HK\$0.98 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 6.83% to the average closing price of HK\$0.966 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. The allotment and issue of the Placing Shares are not subject to any further 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 Board wishes to announce that after trading hours on 27 July 2020, the Company and the Placing Agent entered into the Placing Agreement, the principal terms of which are summarised below.

## **THE PLACING AGREEMENT**

### **Date**

27 July 2020

### **Issuer**

The Company

### **Placing Agent**

Orient Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

The Placing Agent has conditionally agreed to procure, on a best endeavour basis, not less than six Placees to subscribe for up to 33,500,000 Placing Shares. The Placing Agent will receive a placing commission of 2% 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 negotiation between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

### **Placees**

The Placing Shares are to be placed by the Placing Agent and/or its sub-placing agent(s) on a best endeavour effort basis to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. The Placing Agent has represented, warranted and undertaken to the Company that it would 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.

## **Number of Placing Shares**

The maximum number of Placing Shares (being 33,500,000 Placing Shares) represents (i) approximately 6.12% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.77% 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\$1,675,000.

## **Placing Price**

The Placing Price of HK\$0.90 per Placing Share represents:

- (i) a discount of approximately 8.16% to the closing price of HK\$0.98 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 6.83% to the average closing price of HK\$0.966 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day.

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 HK\$30.15 million and the net proceeds from the Placing will be approximately HK\$29.40 million (after deduction of commission and other expenses of the Placing). On such basis, the net issue price will be approximately HK\$0.88 per Placing Share.

## **Ranking of the Placing Shares**

The Placing Shares will rank, when issued and fully paid up, *pari passu* in all respects with other 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 granting or agreeing to grant by the Stock Exchange of the listing of, and permission to deal in, all the Placing Shares to be placed pursuant to the Placing Agreement on or before 14 August 2020 (“**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 given by the Company, representations and undertakings given 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 above condition or on such other date as the Company and the Placing Agent may agree in writing.

## **Termination**

- (1) 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:
  - (a) 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
  - (b) 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

- (c) 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
  - (d) 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.
- (2) The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the date of completion of the Placing if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

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 given by the Company, representations and undertakings given by the Placing Agent, indemnity and reimbursements.

## **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. As at the date of the AGM, there were 547,570,880 Shares in issue. Pursuant to the General Mandate, the Company is authorised to issue up to 20% of the total number of issued shares of the Company as at the date of passing the relevant resolution approving the General Mandate until the revocation, variation or expiration of the General Mandate, being up to 109,514,176 new Shares. As at the date of this announcement, no new shares of the Company have been issued under the General Mandate since its grant.

Accordingly, the allotment and issue of the Placing Shares is not subject to any further Shareholders' approval.

## **REASONS AND USE OF PROCEEDS OF THE PLACING**

The Company is an investment holding company. The Group is principally engaged in the provision of private educational services, investment in securities 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 its future development and obligations. The Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

As disclosed above, assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be HK\$30.15 million and the net proceeds from the Placing are estimated to be approximately HK\$29.40 million (after deduction of commission and other expenses of the Placing). It is intended that the net proceeds from the Placing will be utilised as to (i) approximately HK\$7.80 million for repayment of other borrowings; (ii) approximately HK\$12.00 million for the operation of the private educational services segment and (iii) the remaining balance of approximately HK\$9.60 million as general working capital of the Group.

## **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 ACTIVITY IN THE PAST TWELVE-MONTH PERIOD**

The Company had not carried out any fund raising activity 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 maximum number of the Placing Shares is placed 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		Immediately after completion of the Placing (assuming all Placing Shares have been placed)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Placees	–	–	33,500,000	5.77
Other public Shareholders	547,570,880	100.00	547,570,880	94.23
	<u>547,570,880</u>	<u>100.00</u>	<u>581,070,880</u>	<u>100.00</u>

*Note: Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.*

## WARNING

**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.**



## 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 10 December 2019 at which, among other things, the General Mandate was granted to the Directors
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday or public holiday or 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 in Hong Kong are generally open for business 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 under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the AGM to allot, issue or otherwise deal with up to 109,514,176 new 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
“Last Trading Day”	27 July 2020, being the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), corporate(s), institutional investor(s) or other investor(s) to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the offer by way of private placing of the Placing Shares by the Placing Agent and/or its sub-placing agent(s), on a best endeavour basis, pursuant to the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Orient 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 placing agreement dated 27 July 2020 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.90 per Placing Share
“Placing Shares”	a maximum of up to 33,500,000 Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement and each, a “Placing Share”

“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Hong Kong Education (Int’l) Investments Limited**  
**Tsang Ka Wai**  
*Executive Director*

Hong Kong, 27 July 2020

*As of the date of this announcement, the executive Directors are Mr. Tsang Ka Wai and Mr. Wong King Hoi; and the independent non-executive Directors are Ms. Jor Stephanie Wing Yee, Mr. Leung Ki Chi James and Mr. Fenn David.*