

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



China Chuanglian Education Financial Group Limited
中國創聯教育金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2371)

(I) PLACING OF SHARES UNDER GENERAL MANDATE;
AND
(II) PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Placing Agent



ASA Securities Limited

(I) PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 28 April 2021 (after trading hours), the Company entered into the Share Placing Agreement with the Placing Agent, pursuant to which the Company was desirous of offering the Placing Shares free from any encumbrance whatsoever for subscription and appointed the Placing Agent on sole and exclusive basis to place and procure subscriptions for the Placing Shares on a best effort basis subject to the terms and conditions set out in the Share Placing Agreement. The Placing Agent shall procure not less than six Share Placing Places to subscribe for up to 470,000,000 Placing Shares at a price of HK\$0.102 per Placing Share.

The maximum of 470,000,000 Placing Shares represent (i) approximately 7.88% of the aggregated number of the issued Shares as at the date of this announcement; and (ii) approximately 7.31% of the aggregated number of issued Shares as enlarged by the issue of the 470,000,000 Placing Shares.

The Placing Price of HK\$0.102 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.119 per Share as quoted on the Stock Exchange on the date of the Share Placing Agreement; and (ii) a discount of approximately 16.39% to the average of the closing prices for the five consecutive trading days immediately prior to the date of the Share Placing Agreement as quoted on the Stock Exchange of HK\$0.122 per Share.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Share Placing will be HK\$47,940,000 and the Company intends to use the net proceeds of approximately HK\$47,790,000 from the Share Placing for (i) general working capital as to approximately HK\$9,560,000; and (ii) any possible business development and investment of the Group as to approximately HK\$38,230,000.

The Share Placing is not subject to Shareholders' approval as the Placing Shares will be allotted and issued pursuant to the General Mandate. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

(II) PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 28 April 2021 (after trading hours), the Company entered into the CB Placing Agreement with the Placing Agent, pursuant to which the Company proposed to offer for subscription, and the Placing Agent had agreed to procure subscriptions for, the Convertible Bonds on a best effort basis on the terms and subject to the conditions set out in the CB Placing Agreement. The Placing Agent shall procure not less than six CB Placing Places to subscribe for the Convertible Bonds in the principal amount of up to HK\$90,000,000.

In the case of the Conversion Rights having been exercised in full at the initial Conversion Price of HK\$0.125, a maximum of 720,000,000 new Shares to be allotted and issued by the Company, representing (i) approximately 12.08% of the aggregated number of the issued Shares as at the date of this announcement; and (ii) approximately 10.77% of the aggregated number of issued Shares as enlarged by the issue of 720,000,000 Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The initial Conversion Price of HK\$0.125 represents (i) a premium of approximately 5.04% to the closing price of HK\$0.119 per Share as quoted on the Stock Exchange on the date of the CB Placing Agreement; and (ii) a premium of approximately 2.46% to the average of the closing prices for the five consecutive trading days immediately prior to the date of the CB Placing Agreement as quoted on the Stock Exchange of HK\$0.122 per Share.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the gross proceeds from the CB Placing will be approximately HK\$90,000,000 and the Company intends to use the net proceeds of approximately HK\$89,710,000 from the CB Placing for (i) general working capital as to approximately HK\$17,940,000; and (ii) any possible business development and investment of the Group as mentioned in the below sections as to approximately HK\$71,770,000.

The Conversion Shares is not subject to Shareholders' approval as the Conversion Shares will be allotted and issued pursuant to the General Mandate. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

GENERAL

Shareholders and potential investors of the Company should note that the Share Placing Completion and the CB Placing Completion are subject to the fulfilment of the conditions precedent under the Share Placing Agreement and the CB Placing Agreement. As the Share Placing and the CB Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

(I) PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 28 April 2021 (after trading hours), the Company entered into the Share Placing Agreement with the Placing Agent, pursuant to which the Company was desirous of offering the Placing Shares free from any encumbrance whatsoever for subscription and appointed the Placing Agent on sole and exclusive basis to place and procure subscriptions for the Placing Shares on a best effort basis subject to the terms and conditions set out in the Share Placing Agreement. The Placing Agent shall procure not less than six Share Placing Places to subscribe for up to 470,000,000 Placing Shares at a price of HK\$0.102 per Placing Share.

THE SHARE PLACING AGREEMENT

Date

28 April 2021 (after trading hours)

Issuer

The Company

Placing Agent

ASA Securities Limited. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Share Placing Commission

Subject to the Share Placing Completion having taken place, the Company shall pay to the Placing Agent a placing commission, in Hong Kong dollars, which shall be equivalent to 0.1% of the aggregate amount of the Placing Price multiplied by the number of Placing Shares placed during the Share Placing Period.

Share Placing Placees

The Placing Agent agreed to act as agent of the Company to procure not less than six Share Placing Placee(s) to subscribe for the Placing Shares. The Share Placing Placee(s) shall be any investor who is either a professional or institutional investor or other investors who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the Share Placing Placees becomes a substantial Shareholder (as defined under the Listing Rules) after the completion of the Share Placing, a further announcement will be made by the Company.

Placing Shares

The Placing Agent agreed to procure not less than six Share Placing Placee(s) to subscribe for up to 470,000,000 Placing Shares at the Placing Price during the Share Placing Period on terms and conditions set out in the Share Placing Agreement on a best effort basis. The maximum of 470,000,000 Placing Shares represent (i) approximately 7.88% of the aggregated number of the issued Shares as at the date of this announcement; and (ii) approximately 7.31% of the aggregated number of issued Shares as enlarged by the issue of the 470,000,000 Placing Shares.

The Placing Shares shall rank pari passu in all respects with the existing Shares then in issue.

Placing Price

The Placing Price of HK\$0.102 per Placing Share represents (i) a discount of approximately 14.29% to the closing price of HK\$0.119 per Share as quoted on the Stock Exchange on the date of the Share Placing Agreement; and (ii) a discount of approximately 16.39% to the average of the closing prices for the five consecutive trading days immediately prior to the date of the Share Placing Agreement as quoted on the Stock Exchange of HK\$0.122 per Share.

The net Placing Price (after deducting related costs and expenses of the Share Placing) is approximately HK\$0.102 per Share.

The Placing Price was determined after arm's length negotiations between the Parties on the date of the Share Placing Agreement with reference to, among others, the prevailing market price of the Shares.

Conditions Precedent to the Share Placing Agreement

The Share Placing Completion shall be conditional upon the satisfaction or fulfilment of such conditions precedent as set out hereunder:

- (a) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked;
- (b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Share Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (c) the Share Placing Agreement not having been terminated on or before the Share Placing Long Stop Date.

Each of the Placing Agent and the Company shall use their respective best endeavours to procure the satisfaction of the above conditions on or before the Share Placing Long Stop Date or such other date as agreed between the Company and the Placing Agent in writing. If any of the above conditions is not satisfied on or before the Share Placing Long Stop Date, all obligations of the Placing Agent and of the Company under the Share Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Share Placing Agreement.

The Share Placing is not inter-conditional with the CB Placing.

Completion of the Share Placing

Completion of the Share Placing shall take place within four Business Days after the fulfilment of the above conditions precedent or on such other date as the Company and the Placing Agent may agree in writing.

Termination

The Placing Agent, may in its absolute opinion, terminate the Share Placing Agreement by notice in writing to the Company at any time up to 10:00 a.m. on the date of completion of Share Placing if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the absolute opinion of the Placing Agent would be materially adverse in the consummation of the Share Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent to be material in the context of the Share Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Share Placing or makes it inadvisable or inexpedient for the Share Placing to proceed; or

- (4) any suspension of dealings in the Shares for any period of five consecutive trading days or more (other than as a result of announcing the Share Placing); or
- (5) any statement contained in the announcements, circulars and financial reports of the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Share Placing.

Upon termination of the Share Placing Agreement as described above, all liabilities of the parties to the Share Placing Agreement shall cease and determine and no party to the Share Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Share Placing Agreement save in respect of any antecedent breach of any obligation under the Share Placing Agreement.

(II) PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 28 April 2021 (after trading hours), the Company entered into the CB Placing Agreement with the Placing Agent, pursuant to which the Company proposed to offer for subscription, and the Placing Agent had agreed to procure subscriptions for, the Convertible Bonds on a best effort basis on the terms and subject to the conditions set out in the CB Placing Agreement. The Placing Agent shall procure not less than six CB Placing Placees to subscribe for the Convertible Bonds in the principal amount of up to HK\$90,000,000.

Date

28 April 2021 (after trading hours)

Issuer

The Company

Placing Agent

ASA Securities Limited. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

CB Placing Commission

The Company shall pay to the Placing Agent a placing commission equivalent to 0.1% of the aggregate principal amount of the Convertible Bonds which the Placing Agent has successfully procured subscribers for the Convertible Bonds.

CB Placing Places

The Placing Agent agreed to procure not less than six CB Placing Placee(s) to subscribe for the Convertible Bonds on terms and conditions set out in the CB Placing Agreement on a best effort basis. The CB Placing Placee(s) shall be any investor who is either a professional or institutional investor or other investors who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the CB Places becomes a substantial Shareholder (as defined under the Listing Rules) after the completion of the CB Placing, a further announcement will be made by the Company.

Conditions Precedent to the CB Placing Agreement

The CB Placing Completion shall be conditional upon the satisfaction or fulfilment of such conditions precedent as set out hereunder:

- (a) the Listing Committee having granted approval for the listing of, and permission to deal in, the Conversion Shares and such listing and permission not subsequently being revoked;
- (b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the CB Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (c) the CB Placing Agreement not having been terminated on or before the CB Placing Long Stop Date.

Each of the Placing Agent and the Company shall use their respective best endeavours to procure the satisfaction of the above conditions on or before the CB Placing Long Stop Date or such other date as agreed between the Company and the Placing Agent in writing. If any of the above conditions is not satisfied on or before the CB Placing Long Stop Date, all obligations of the Placing Agent and of the Company under the CB Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the CB Placing Agreement.

The CB Placing is not inter-conditional with the Share Placing.

Completion of the CB Placing

Completion of the CB Placing shall take place within four Business Days after the fulfilment of the above conditions precedent or on such other date as the Company and the Placing Agent may agree in writing.

Termination

The Placing Agent, may in its absolute opinion, terminate the CB Placing Agreement by notice in writing to the Company at any time up to 10:00 a.m. on the date of completion of the CB Placing if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the absolute opinion of the Placing Agent would be materially adverse in the consummation of the CB Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent to be material in the context of the CB Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the CB Placing or makes it inadvisable or inexpedient for the CB Placing to proceed; or
- (4) any suspension of dealings in the Shares for any period of five consecutive trading days or more (other than as a result of announcing the CB Placing); or
- (5) any statement contained in the announcements, circulars and financial reports of the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the CB Placing.

Upon termination of the CB Placing Agreement as described above, all liabilities of the parties to the CB Placing Agreement shall cease and determine and no party to the CB Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the CB Placing Agreement save in respect of any antecedent breach of any obligation under the CB Placing Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Set out below are the principal terms of the Convertible Bonds:

- Issuer: The Company
- Aggregate principal amount: HK\$90,000,000
- Issue price: 100% of the principal amount
- Maturity date: The second anniversary of the date of issue of the Convertible Bonds.
- Interest rate: The Convertible Bonds will bear interest from the date of issue at the rate of 3.5% per annum on the principal amount of the Convertible Bonds outstanding, accrued daily on the basis of 360 days per year consisting of 12 months of 30 days each, and the number of days elapsed in the case of an incomplete month, and payable by the Company annually in arrears
- Conversion Price: The Conversion Price shall be HK\$HK\$0.125 per Conversion Share, subject to adjustment provisions as summarised below
- The Conversion Price of HK\$HK\$0.125 per Conversion Share represents:
- (a) a premium of 5.04% over the closing price of HK\$0.119 per Share as quoted on the Stock Exchange on the date of the CB Placing Agreement;
 - (b) a premium of approximately 2.46% over the average of the closing prices of HK\$0.122 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the CB Placing Agreement.
- Conversion Right: A Bondholder will have the right, during the period commencing from the date of issue of the Convertible Bonds up to the close of business in Hong Kong on the day falling fourteen (14) days prior to the maturity date in the manner provided in the CB Instrument, to convert the whole or part of the principal amount of the Convertible Bonds into the Conversion Shares at the Conversion Price (subject to adjustments).
- No exercise of conversion rights attaching to the Convertible Bonds shall be allowed if (i) immediately following the conversion, the Company will be unable to meet the public float requirement under the Listing Rules; or (ii) a Bondholder and parties acting in concert (as defined in the Takeovers Code) with it immediately following the conversion shall be required to make a general offer under Rule 26 of the Takeovers Code (unless waiver from making a general offer has been obtained from the SFC).

The Company shall, within the conversion period, satisfy such conversion right by delivery of the maximum number of Shares permitted to be allotted or issued by the Company under the general mandate granted to the Directors at the annual general meeting of the Company and either to (i) make payment in cash to such Bondholder of an amount equivalent to the shortfall between the value (calculated with reference to the volume-weighted average market price of the Shares for the five consecutive trading days immediately preceding the date of the conversion notice given by the relevant Bondholder) of (aa) the number of Shares required to be delivered by the Company to satisfy the conversion right and (bb) the maximum number of Shares permitted to be allotted or issued under the general mandate; or (ii) convene a general meeting as soon as practicable to obtain the necessary approval from Shareholders to issue the shortfall Shares.

The Conversion Shares shall rank *pari passu* with all other Shares in issue as at the relevant registration date and be entitled to all dividends and other distributions paid or made on the Shares on or after the record date which falls on a date on or after the relevant registration date.

Anti-dilution adjustments:

The Conversion Price will from time to time be adjusted upon the occurrence of certain events, including the following:

- (a) stock split, consolidated or re-classification of the Shares;
- (b) capital distribution to holders of Shares;
- (c) issue of Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at a price per Share which is less than 90% of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant;
- (d) issue of any securities (other than Shares or options and any securities convertible or exchangeable into Shares, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by way of rights or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options and any securities convertible or exchangeable into Shares, warrants or other rights to subscribe or purchase Shares);

- (e) issue of any Shares, whether for cash or non-cash consideration (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant of options, warrants or other rights to subscribe or purchase Shares or securities convertible or exchangeable into Shares, in each case at a price per Share which is less than 90% of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue; and
- (f) issue by the Company or any other person or entity of any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares issued or to be issued by the Company on conversion exchange or subscription at a consideration per Share which is less than 90% of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities.

Events of default:

- (a) Payment default: a default in the payment of the principal, premium or yield (if any) in respect of the Convertible Bonds or any of them when and as the same ought to be paid and such default is not remedied within ten Business Days; or
- (b) Other default: a default by the Company in the performance or observance of any covenant, condition, provision or obligation contained in the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal, premium or yield (if any) in respect of any of the Convertible Bonds) and such default continues for the period of 30 days following the service by any Bondholder on the Company of notice specifying in reasonable details such default and requiring the same to be remedied; or

- (c) Cross default: any other bonds, debentures, notes or other instruments of indebtedness or any other loan indebtedness having an aggregate outstanding amount of at least HK\$100,000,000 or the equivalent in any other currency or currencies (hereinafter collectively called “Indebtedness”) of the Company or any of its subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which have not been remedied, or steps are taken to enforce any security therefor, or the Company or any of its subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor (if a grace period is applicable) or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of at least HK\$100,000,000 given by the Company or any of its Subsidiaries are not honoured when due and called upon provided that the threshold amounts set out in this paragraph (c) shall be cumulative for any period of three (3) months and shall be aggregated together in the event of any breach of this paragraph (c); or
- (d) Dissolution of the Company: a resolution is passed or a petition for winding up or an order of a court of competent jurisdiction is made that the Company or any of the principal subsidiaries be wound up or dissolved otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation the terms of which have previously been approved in writing by Bondholders holding 51 per cent. or more of the outstanding principal amount of Convertible Bonds and upon which the continuing corporation effectively assumes the entire obligations of the Company or any of the principal subsidiaries, as the case may be, under the Convertible Bonds; or
- (e) Dissolution of a major subsidiary of the Company: a resolution is passed or a petition for winding up or an order of a court of competent jurisdiction is made that any principal subsidiary be wound up or dissolved otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (ii) below) the terms of which have previously been approved in writing by Bondholders holding 51 per cent. or more of the outstanding principal amount of Bonds, (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or another of its subsidiary or (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary and such surplus assets attributable to the Company and/or any of its subsidiary are distributed to the Company and/or any of its subsidiary or

- (f) Encumbrances: an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company or any principal subsidiary; or
- (g) Bankruptcy: (i) the Company or any principal subsidiary without any lawful cause stops payment (within the meaning of any applicable bankruptcy law) or is unable to pay its debts as and when they fall due; or (ii) the Company or any principal subsidiary (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraphs (d) or (e)) ceases or through an official action of the Board of Directors of the Company or any principal subsidiary, as the case may be, threatens to cease to carry on a substantive part of its business; or
- (h) Bankruptcy proceedings: proceedings shall have been initiated against the Company or any principal subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 60 days; or
- (i) Adjudication of bankruptcy: the Company or any principal subsidiary shall initiate or consent to proceedings seeking with respect to itself adjudication of bankruptcy or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors; or
- (j) Distress: a distress, execution or seizure before judgement is levied or enforced upon or sued out against a part of the property of the Company or any principal subsidiary, which is material and adverse in its effect upon the operations of the Group taken as a whole, as the case may be, and is not discharged within 30 days thereof; or
- (k) Suspension of trading: the delisting of the Shares on the Stock Exchange or a suspension of trading of such shares on the Stock Exchange for a period of thirty (30) consecutive Business Days or more (save in the case where such suspension is for the purposes of clearing a notice, announcement or circular with the Stock Exchange or any other regulatory authorities and the subject matter under the notice announcement, or circular does not constitute, or does not potentially constitute, an event of default herein).

- Voting: A Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of it being the Bondholder.
- Early Redemption: The Company shall be entitled, at its sole discretion and in accordance with the terms and conditions contained in the CB Instrument, by giving notice to the holders of the Convertible Bonds, propose to the holders to redeem the outstanding Convertible Bonds (in multiples of HK\$1,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds together with all outstanding interest accrued thereon at any time after the date of issue of the Convertible Bonds up to and including the maturity date of the Convertible Bonds.
- Transferability: No Convertible Bond may be transferred to any person who is a connected person (as defined under the Listing Rules) of the Company unless with: (i) full compliance with the Listing Rules; (ii) full compliance with the requirements (if any) that the Stock Exchange may impose from time to time; and (iii) the consent (if applicable) of the Stock Exchange.
- Application for listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock or securities exchange. Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares.

Number of Conversion Shares to be issued upon exercise of the conversion rights

Assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the date of full conversion of the Convertible Bonds, the 720,000,000 Conversion Shares (based on the initial Conversion Price of HK\$0.125) to be issued upon full conversion of the Convertible Bonds represent:

- (a) approximately 12.08% of the existing issued share capital of the Company at the date of this announcement;
- (b) approximately 10.77% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares; and
- (c) approximately 10.07% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares.

General Mandate to allot and issue of the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the General Mandate. The maximum of 1,192,442,115 Shares can be issued under the General Mandate. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the issue of the Conversion Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to approximately 60.38% upon the allotment and issue of the 720,000,000 Conversion Shares. The General Mandate will be utilised as to approximately 99.80% upon the allotment and issue of the 470,000,000 Placing Shares and the 720,000,000 Conversion Shares.

REASONS FOR THE SHARE PLACING AND THE CB PLACING AND USE OF PROCEEDS

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

The Directors have considered various fund raising methods and believe that taking into account the prevailing market conditions, the Share Placing and CB Placing represent an opportunity for the Group to raise equity capital for its future developments. In addition, the Share Placing and CB Placing will broaden the Company's shareholder base and strengthen its capital base and working capital position.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Share Placing will be HK\$47,940,000 and the Company intends to use the net proceeds of approximately HK\$47,790,000 from the Share Placing for (i) general working capital as to approximately HK\$9,560,000; and (ii) any possible business development and investment of the Group as to approximately HK\$38,230,000.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the gross proceeds from the CB Placing will be HK\$90,000,000 and the Company intends to use the net proceeds of approximately HK\$89,710,000 from the CB Placing for (i) general working capital as to approximately HK\$17,940,000; and (ii) any possible business development and investment of the Group as mentioned in the below sections as to approximately HK\$71,770,000.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Share Placing Agreement and the CB Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company did not raise any other funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing are and will be as follows:–

	As at the date of this announcement		Immediately upon the Share Placing Completion (assuming the Placing Shares were placed in full)		Immediately upon full conversion of the Convertible Bonds after the CB Placing Completion (assuming the Convertible Bonds were placed in full)		Immediately upon the Share Placing Completion and upon full conversion of the Convertible Bonds upon the CB Placing Completion (assuming the Placing Shares and the Convertible Bonds were placed in full and there is no other change in the issued share capital of the Company from the date of this announcement up to the date of full conversion of the Convertible Bonds)	
	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>
Directors:								
Mr. Lu Xing <i>(note)</i>	1,359,596,323	22.80	1,359,596,323	21.14	1,359,596,323	20.35	1,359,596,323	19.01
Mr. Li Jia	<u>7,936,000</u>	<u>0.13</u>	<u>7,936,000</u>	<u>0.12</u>	<u>7,936,000</u>	<u>0.12</u>	<u>7,936,000</u>	<u>0.11</u>
Subtotal	1,367,532,323	22.93	1,367,532,323	21.26	1,367,532,323	20.47	1,367,532,323	19.12
Public Shareholders:								
Share Placing Placees	–	–	470,000,000	7.31	–	–	470,000,000	6.57
CB Placing Placees	–	–	–	–	720,000,000	10.77	720,000,000	10.07
Other public Shareholders	<u>4,594,678,255</u>	<u>77.07</u>	<u>4,594,678,255</u>	<u>71.43</u>	<u>4,594,678,255</u>	<u>68.76</u>	<u>4,594,678,255</u>	<u>64.24</u>
Total	<u>5,962,210,578</u>	<u>100.00</u>	<u>6,432,210,578</u>	<u>100.00</u>	<u>6,682,210,578</u>	<u>100.00</u>	<u>7,152,210,578</u>	<u>100.00</u>

Note: Of these 1,359,596,323 shares, 109,628,323 shares are held by Ascher Group Limited; and 680,000,000 shares are held by Headwind Holdings Limited. Ascher Group Limited and Headwind Holdings Limited are companies incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Lu Xing.

GENERAL

Shareholders and potential investors of the Company should note that the Share Placing Completion and the CB Placing Completion are subject to the fulfilment of the conditions precedent under the Share Placing Agreement and the CB Placing Agreement. As the Share Placing and the CB Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the person(s) who for the time being is the holder of the Convertible Bond(s)
“Business”	the relevant business from the commercial application of the Invention
“Business Day(s)”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“CB Instrument”	the instrument constituting the Convertible Bonds
“CB Placing”	the proposed placing of the Convertible Bonds on the terms and subject to the conditions set out in the CB Placing Agreement
“CB Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 28 April 2021 in respect of the CB Placing
“CB Placing Completion”	the completion of the CB Placing
“CB Placing Long Stop Date”	21 calendar days after the date of the CB Placing Agreement (or such later date as may be agreed by the Parties in writing)

“CB Placing Placee(s)”	any investor who is either a professional or institutional investor or other investors selected and procured by or on behalf of the Placing Agent as contemplated by the CB Placing Agreement
“Company”	China Chuanglian Education Financial Group Limited (中國創聯教育金融集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	HK\$0.125 per Conversion Share, subject to adjustment provisions set out in the CB Instrument
“Conversion Share(s)”	in the case of the Conversion Rights having been exercised in full, a maximum of 720,000,000 new Shares to be allotted and issued by the Company pursuant to the terms and conditions contained in the CB Instrument, which, upon conversion of the Convertible Bonds in their entirety, shall represent up to approximately 10.77% of the aggregated number of issued Shares in the Company as enlarged following conversion
“Convertible Bonds”	the 2-year 3.5% coupon per annum unlisted convertible bond(s) in an aggregate principal amount of up to HK\$90,000,000 to be issued by the Company pursuant to the CB Placing Agreement
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors to allot, issue and deal with not more than 1,192,442,115 new Shares at the annual general meeting of the Company held on 12 June 2020
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties who are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules);
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively, the Company and the Placing Agent, and individually, a “Party”

“Placing Agent”	ASA Securities Limited, a licensed corporation by the SFC to carry out and conduct type 1 (dealing in securities), Type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under and pursuant to the SFO
“Placing Price”	HK\$0.102 per Placing Share
“Placing Share(s)”	up to 470,000,000 new Shares to be allotted and issued by the Company under the General Mandate and pursuant to the Share Placing Agreement on date of the Share Placing Completion, and the Placing Shares shall rank pari passu in all respects with the existing Shares then in issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share Placing”	the placing of the Placing Shares under and in accordance with the Share Placing Agreement
“Share Placing Agreement”	the agreement entered into between the Company and the Placing Agent dated 28 April 2021 in respect of the Share Placing
“Share Placing Completion”	the overall completion of the Share Placing, which shall take place on the Share Placing Completion Date
“Share Placing Long Stop Date”	21 calendar days after the date of the Share Placing Agreement (or such later date as may be agreed by the Parties in writing)
“Share Placing Period”	the period commencing forthwith upon the execution of the Share Placing Agreement and expiring on the Share Placing Long Stop Date
“Share Placing Placee(s)”	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Share Placing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 28 April 2021

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