

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 representations 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.



Chuanglian Holdings Limited

創聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2371)

ENTERING INTO THE NEW CONTRACTUAL ARRANGEMENTS AND CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Circulars in relation to, among other matters, the Existing Contractual Arrangements relating to Beijing Chuanglian Education and Beijing Chuanglian Guopei.

The Board is pleased to announce that on 26 August 2024, Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders entered into the New Contractual Arrangements, which are on terms and conditions substantially the same as the Existing Contractual Arrangements, mainly due to the change of registered shareholders of Beijing Chuanglian Education from Mr. Lu, who previously held 100% equity interest in Beijing Chuanglian Education, to Mr. Lu, Mr. Zhang and Ms. Gao, who holds 22%, 50% and 28% equity interest in Beijing Chuanglian Education as at the date of this announcement, respectively.

The New Contractual Arrangements were entered into for the purpose of obtaining the economic benefits and the right and ability to control the business of Beijing Chuanglian Education.

IMPLICATIONS UNDER THE LISTING RULES

The Waiver is subject to certain conditions including, among others, on the basis that the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on the one hand, and the consolidated affiliated entities, on the other hand, that the framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements.

Upon the execution of the New Contractual Arrangements, the financial results of Beijing Chuanglian Education and its subsidiaries will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Lu, Mr. Zhang and Ms. Gao, each being a substantial shareholder of Beijing Chuanglian Education, will each be a connected person of the Company. Accordingly, the transactions contemplated under the New Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate annual transaction amount in respect of the New Contractual Arrangements is expected to exceed 5%, the transactions under the New Contractual Arrangements will technically be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements will be exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules; (ii) the requirement of setting an annual cap for the fees payable to Beijing Chuanglian Guopei under the New Contractual Arrangements; and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less, subject to the same conditions of the Waiver.

INTRODUCTION

The Board is pleased to announce that on 26 August 2024, Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders entered into the New Contractual Arrangements, which are on terms and conditions substantially the same as the Existing Contractual Arrangements, mainly due to the change of registered shareholders of Beijing Chuanglian Education from Mr. Lu, who previously held 100% equity interest in Beijing Chuanglian Education, to Mr. Lu, Mr. Zhang and Ms. Gao, who holds 22%, 50% and 28% equity interest in Beijing Chuanglian Education as at the date of this announcement, respectively.

THE NEW CONTRACTUAL ARRANGEMENTS

Beijing Chuanglian Education is a domestic enterprise established in the PRC principally engaged in investment management and the provision of investment-related, technical or educational consultancy services. It holds the Radio and TV Program Production and Business Operation Permit (the “**Radio and TV Permit**”) and the value-added telecommunication business operating license for provision of Internet information services (the “**ICP License**”). As advised by the Company's PRC legal advisor, the provision of online training and education related content on websites is subject to various PRC laws and regulations relating to the telecommunications industry and radio and television industry. Pursuant to the Special Administrative Measures for the Access of Foreign Investment (2021 version) (the “**Negative List**”) published by the National Development and Reform Commission and the Ministry of Commerce of the PRC on 27 December 2021, foreign investors are prohibited from investing in companies engaging in production and operation of broadcasting and television programmes (including introduction of businesses). Pursuant to the Negative List, except as otherwise stipulated, foreign investors are not allowed to own more than 50% of the equity interest in a value-added telecommunications services provider such as Beijing Chuanglian Education.

Due to the above constraints, Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders entered into the New Contractual Arrangements to address the aforementioned foreign equity ratio restriction in order to obtain the economic benefits and the right and ability to control the business of Beijing Chuanglian Education.

The New Contractual Arrangements are reproduced from the Existing Contractual Arrangements with substantially the same terms and conditions, mainly to reflect the change in shareholding of Beijing Chuanglian Education with Mr. Zhang and Ms. Gao as new Registered Shareholders in addition to Mr. Lu. As at the date of this announcement, Mr. Zhang and Ms. Gao are also the legal representative and supervisor, respectively, of Beijing Chuanglian Education. The restructured shareholding enhances the internal control and management system of Beijing Chuanglian Education by allowing Mr. Zhang and Ms. Gao, who are already involved in Beijing Chuanglian Education's day-to-day administrative matters, including signing agreements with external parties and attending to filing of documents as employees of Beijing Chuanglian Education, to more efficiently and effectively perform and handle the responsibilities of registered shareholders of Beijing Chuanglian Education. This arrangement will also allow Mr. Lu more time and capacity to focus on his duties as executive director and chairman of the board of Beijing Chuanglian Education. The corporate structure before and after the New Contractual Arrangements are set out in the section headed "Diagram of the Corporate Structure Before and After the New Contractual Arrangements" of this announcement.

The Company's PRC legal advisor has confirmed that the execution of the New Contractual Arrangements (i) will not contravene the mandatory provisions of the laws and regulations in the PRC; (ii) will not contravene the current articles of association of Beijing Chuanglian Education and Beijing Chuanglian Guopei; (iii) will not be deemed as violating imperative provisions of laws and administrative regulations, malicious collusion damaging any other person's lawful rights and interests or contrary to public order and good morals under the Civil Code of the PRC (《中華人民共和國民法典》); (iv) do not require administrative approval from other PRC governmental authorities, nor will they be rejected or terminated by PRC governmental authorities, except for the following circumstances: a. the creation of a pledge under the Equity Pledge Agreement (and the supplemental agreements thereto) is subject to registration procedures with the relevant market regulation department and b. the exercise of the right of Beijing Chuanglian Guopei to acquire equity interest in Beijing Chuanglian Education according to the Share Disposal Agreement (and the supplemental agreements thereto) is subject to the provisions of PRC laws and regulations; and (v) will be enforceable under the laws of the PRC, except that a. injunctive relief or interim remedies granted by the courts of Hong Kong, the Cayman Islands or other jurisdictions may not be recognised or enforceable under PRC law and b. the circumstances set forth in (iv) above. Based on the above and the advice from the Company's PRC legal advisor, the Directors are of the view that the New Contractual Arrangements are narrowly tailored to minimise potential conflict with the relevant PRC laws and regulations, and each of the arrangements under the New Contractual Arrangements conferring significant control and economic benefits from Beijing Chuanglian Education is enforceable under the relevant laws and regulations.

As at the date of this announcement, the Company has not encountered any interference or encumbrance from any PRC governmental authority in operating its business through Beijing Chuanglian Education under the New Contractual Arrangements.

The Directors (including independent non-executive Directors) are of the view that the New Contractual Arrangements will be fundamental to the Group's legal structure and business operations, and that the proposed terms of each of the New Contractual Arrangements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole. So far as the Company is aware, except for Mr. Lu and Mr. Zhang as the Registered Shareholders with a material interest in Beijing Chuanglian Education, none of the Directors had any material interest in the New Contractual Arrangements. Accordingly, except for Mr. Lu and Mr. Zhang, none of the Directors were required to abstain from voting on the board resolutions to approve the New Contractual Arrangements or the entering into of any of the transactions contemplated thereunder.

A summary of the principal terms of the New Contractual Arrangements is set out below:

Second Supplemental Agreement to the Business Operation Agreement

On 26 August 2024, Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders entered into the second supplemental agreement to the Business Operation Agreement, pursuant to which, among other matters:

- (a) Beijing Chuanglian Education agreed, among others, (i) to accept oversight and management over its daily business activities by Beijing Chuanglian Guopei; and (ii) not to conduct any transaction that might have a material impact on any of its assets, businesses, personnel, obligations, rights or operations without the prior written consent of Beijing Chuanglian Guopei. Pursuant to the amended Business Operation Agreement, the Registered Shareholders has agreed that any bonus, dividend or other income or interest (regardless of its specific form) to be obtained by them from Beijing Chuanglian Education, upon materialisation, will be transferred to Beijing Chuanglian Guopei without imposing any conditions;
- (b) Beijing Chuanglian Education and the Registered Shareholders shall pass to the directors the business licence, common seal and other important documents and seals to the directors, legal representatives and senior management recommended or nominated by Beijing Chuanglian Guopei under the Business Operation Agreement (and the supplemental agreements thereto); and
- (c) a dispute resolution clause is included which has similar effect to the dispute resolution clause in the Consultancy and Services Agreement. Unless terminated earlier by Beijing Chuanglian Guopei, it shall remain effective for the same period as the Consultancy and Services Agreement.

Second Supplemental Agreement to the Share Disposal Agreement

On 26 August 2024, Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders entered into the second supplemental agreement to the Share Disposal Agreement, pursuant to which, among other matters:

- (a) Beijing Chuanglian Guopei is granted an exclusive right to acquire, directly or through one or more nominees, from the Registered Shareholders, their respective entire equity interest in Beijing Chuanglian Education at the minimum amount as permitted under the applicable PRC laws. Beijing Chuanglian Guopei may exercise such option at any time in any manner at its sole discretion if it is allowed under the applicable PRC laws and regulations in the future;

- (b) each of the Registered Shareholders will make all appropriate arrangements and execute all necessary documents to ensure that, in the event of the death, loss of capacity, bankruptcy, divorce (or other circumstances) of the Registered Shareholder, there would be no adverse effect or obstacles in enforcing the Share Disposal Agreement (and the supplemental agreements thereto) by the Registered Shareholder's successors, guardians, creditors, spouse and any other third party; and
- (c) a dispute resolution clause is included which has similar effect to the dispute resolution clause in the Consultancy and Services Agreement. It shall remain effective for the same period as the Consultancy and Services Agreement.

Second Supplemental Agreement to the Equity Pledge Agreement

On 26 August 2024, Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders entered into the second supplemental agreement to the Equity Pledge Agreement, pursuant to which, among other matters:

- (a) the Registered Shareholders pledged all of their equity interests in Beijing Chuanglian Education owned by them to Beijing Chuanglian Guopei as security for the payment of the service fees under the Consultancy and Services Agreement and the performance of the Share Disposal Agreement and the Business Operation Agreement (and the supplemental agreements thereto);
- (b) each of the Registered Shareholders will make all appropriate arrangements and execute all necessary documents to ensure that, in the event of the death, loss of capacity, bankruptcy, divorce (or other circumstances) of the Registered Shareholder, there would be no adverse effect or obstacles in enforcing the Equity Pledge Agreement (and the supplemental agreements thereto) by the Registered Shareholder's successors, guardians, creditors, spouse and any other third party; and
- (c) a dispute resolution clause is included which has similar effect to the dispute resolution clause in the Consultancy and Services Agreement.

Powers of Attorney

On 26 August 2024, Beijing Chuanglian Guopei and each of the Registered Shareholders entered into a Power of Attorney pursuant to which, among other matters:

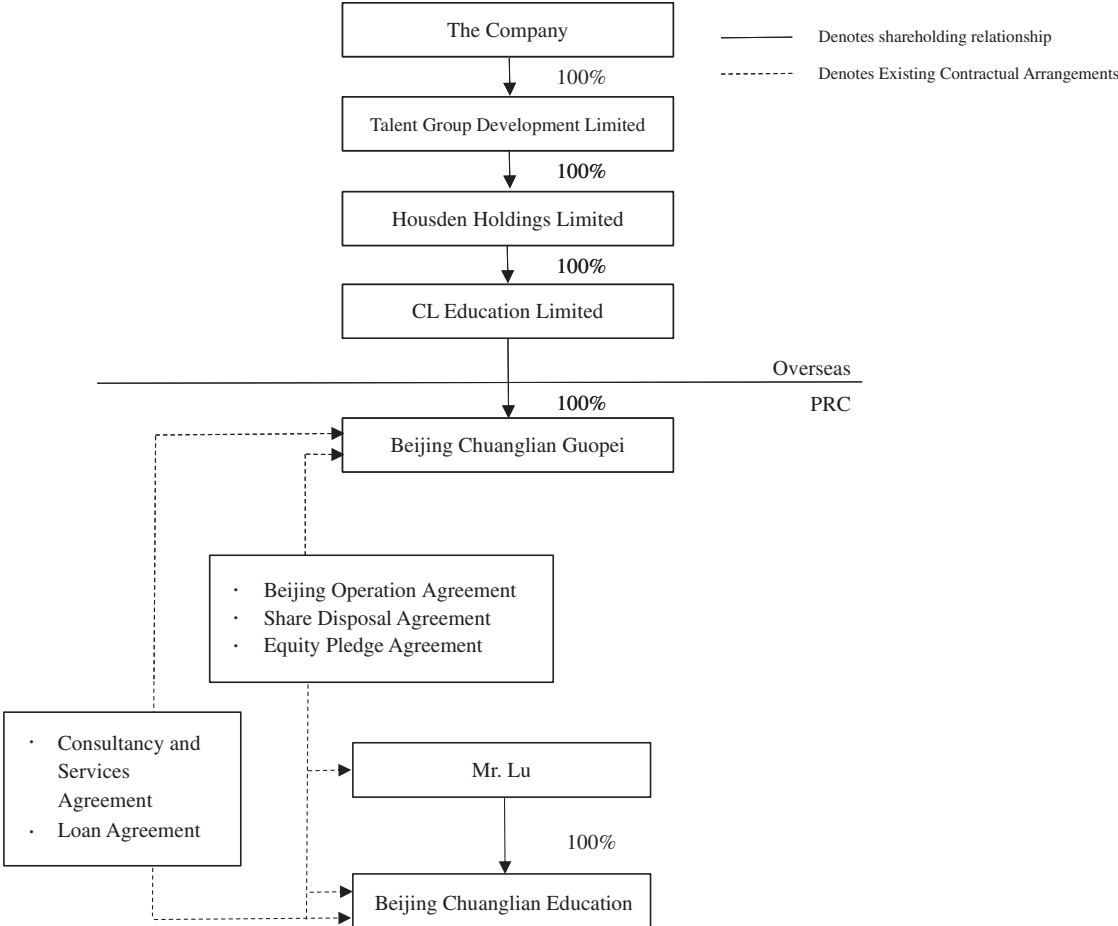
- (a) Beijing Chuanglian Guopei will be authorised by each of the Registered Shareholders to exercise all their shareholders' rights in Beijing Chuanglian Education including the right to elect and change its directors, general manager or other senior management and the right to receive or decline dividends or other distribution on behalf of each of the Registered Shareholders;
- (b) each of the Registered Shareholders shall irrevocably transfer the shareholders' rights corresponding to his/her entire equity interest in Beijing Chuanglian Education to Beijing Chuanglian Guopei, which may direct the directors or their successors (including a liquidator replacing such directors and their successors) of the direct or indirect shareholders of Beijing Chuanglian Education (including the Company), to exercise all the rights so transferred; and
- (c) Beijing Chuanglian Guopei shall not direct, authorise or appoint the Registered Shareholders to exercise any shareholders' rights transferred to Beijing Chuanglian Guopei.

Confirmation from the Spouse of Each of the Registered Shareholders

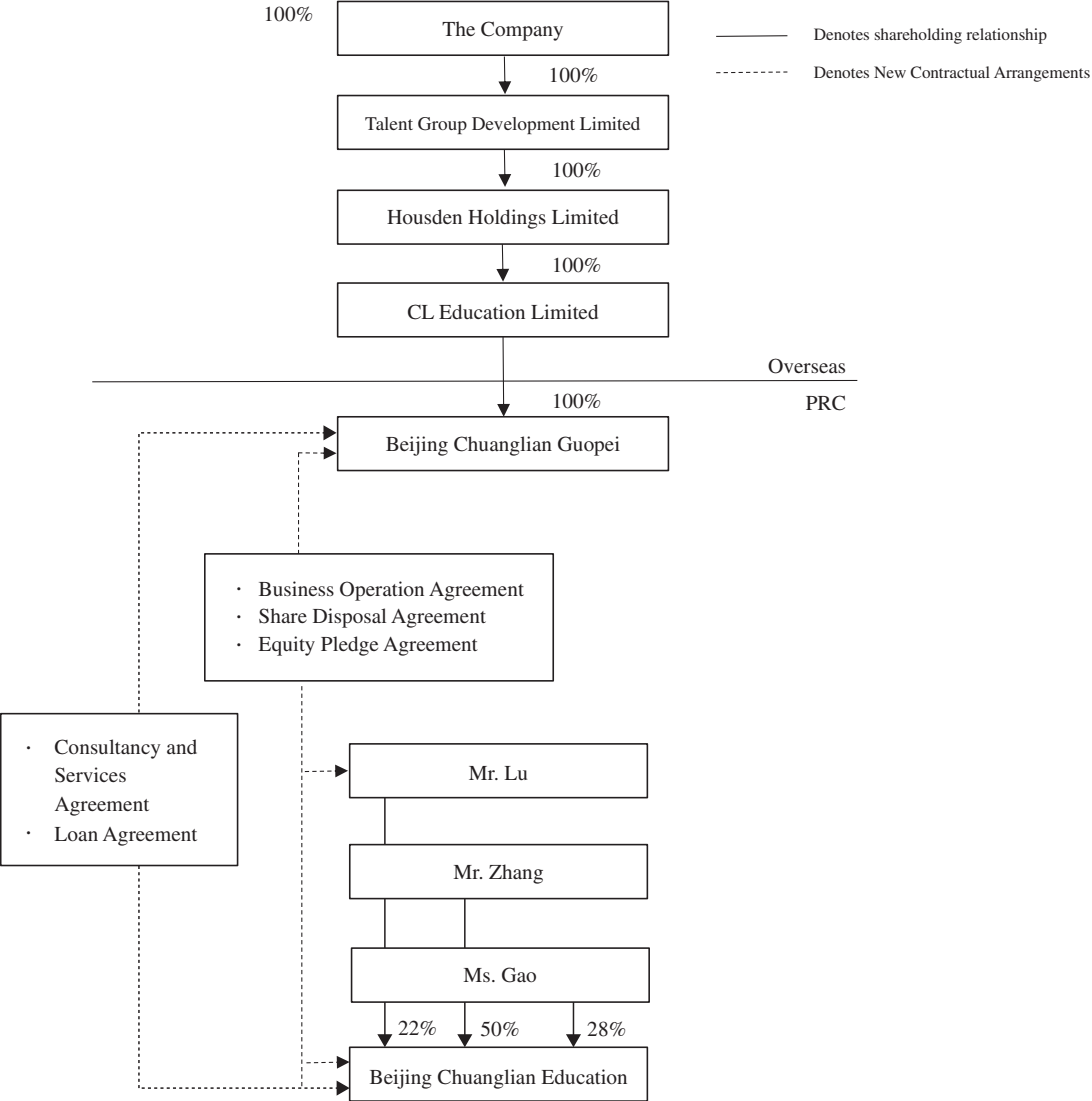
On 26 August 2024, each of the spouse of the Registered Shareholders has also provided a written confirmation confirming, among other things, that he/she will not carry out any act that may affect or hinder the fulfilment of the relevant Registered Shareholder’s obligations under each of the New Contractual Arrangements to which his/her spouse is a party.

DIAGRAM OF THE CORPORATE STRUCTURE BEFORE AND AFTER THE NEW CONTRACTUAL ARRANGEMENTS

The following simplified diagram illustrates the corporate structure before entering into the New Contractual Arrangements:



The following simplified diagram illustrates the corporate structure after entering in the New Contractual Arrangements:



INFORMATION ABOUT THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange. The Company is principally engaged in investment holding. The Group is principally engaged in the provision of online training and education services and financial services.

INFORMATION ABOUT THE PARTIES

Beijing Chuanglian Education is a domestic enterprise established in the PRC principally engaged in investment management and the provision of investment-related, technical or educational consultancy services. It holds the Radio and TV Permit and the ICP License and receives course fees from the provision of online training and education courses for civil servants and professional technicians on websites and platforms. Further, Beijing Chuanglian Education has also entered into cooperation agreements with different third parties in relation to the development of online platforms for training programmes in electronic commerce, professional management and management of elderly home and elderly care. Under such cooperation agreements, Beijing Chuanglian Education is entitled to an agreed proportion or the full amount of course fees payable by the participants of the said training programmes.

Beijing Chuanglian Guopei is a wholly foreign-owned enterprise indirectly held by the Company which is principally engaged in the development of computer technology, wholesale of electronic products and provision of technical consultancy services.

Mr. Lu (who is also the chairman of the Board, an executive Director and substantial Shareholder), Mr. Zhang (who is also an executive Director and Shareholder) and Ms. Gao hold 22%, 50% and 28% equity interest in Beijing Chuanglian Education, respectively.

IMPLICATIONS UNDER THE LISTING RULES

The Waiver is subject to certain conditions including, among others, on the basis that the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on the one hand, and the consolidated affiliated entities, on the other hand, that the framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements.

Upon the execution of the New Contractual Arrangements, the financial results of Beijing Chuanglian Education and its subsidiaries will continue to be accounted for and consolidated in the accounts of the Group as if it is a wholly-owned subsidiary of the Company. Mr. Lu, Mr. Zhang and Ms. Gao, each being a substantial shareholder of Beijing Chuanglian Education, will each be a connected person of the Company. Accordingly, the transactions contemplated under the New Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate annual transaction amount in respect of the New Contractual Arrangements is expected to exceed 5%, the transactions under the New Contractual Arrangements will technically be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements will be exempt from strict compliance with (i) the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules; (ii) the requirement of setting an annual cap for the fees payable to Beijing Chuanglian Guopei under the New Contractual Arrangements; and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less, subject to the same conditions of the Waiver.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Chuanglian Education”	北京創聯教育投資有限公司 (Beijing Chuanglian Education Investment Company Limited*), a company established in the PRC with limited liability and owned by the Registered Shareholders
“Beijing Chuanglian Guopei”	北京創聯國培雲科技有限公司 (Beijing Chuanglian Guopei Cloud Technology Company Limited*) (formerly known as 北京創聯中人技術服務有限公司 (Beijing Chuanglian Zhongren Technical Service Company Limited*)), a wholly foreign-owned enterprise established in the PRC with limited liability and indirectly wholly owned by the Company
“Board”	the board of Directors
“Business Operation Agreement”	the business operation agreement dated 25 March 2011 and entered into between Beijing Chuanglian Education, Beijing Chuanglian Guopei and Mr. Lu (as amended and supplemented by the supplemental agreement dated 16 December 2015), pursuant to which, among others, Mr. Lu has undertaken, among others, that, without the consent of Beijing Chuanglian Guopei, Beijing Chuanglian Education will not conduct any transaction which may have a material impact on any of its assets, businesses, staff, rights, obligations or operations

“China or “PRC”	the People’s Republic of China and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Circulars”	the circulars of the Company dated 28 June 2013, 21 May 2015, 30 November 2015 and 19 October 2017
“Company”	Chuanglian Holdings Limited (創聯控股有限公司), 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 to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consultancy and Services Agreement”	the exclusive consultancy and services agreement dated 25 March 2011 and entered into between Beijing Chuanglian Education and Beijing Chuanglian Guopei (as amended and supplemented by the supplemental agreement dated 16 December 2015 and the second supplemental agreement dated 10 November 2017), pursuant to which, among others, Beijing Chuanglian Education engaged Beijing Chuanglian Guopei on an exclusive basis to provide consultation and related services
“Director(s)”	the director(s) of the Company
“Equity Pledge Agreement”	the equity pledge agreement dated 25 March 2011 and entered into between Beijing Chuanglian Education, Beijing Chuanglian Guopei and Mr. Lu (as amended and supplemented by the supplemental agreement dated 16 December 2015), pursuant to which Mr. Lu pledged all of the equity interests in Beijing Chuanglian Education owned by him to Beijing Chuanglian Guopei as security for the payment of the service fees under the Consultancy and Services Agreement and the performance of the Share Disposal Agreement and the Business Operation Agreement
“Existing Contractual Arrangements”	the transactions contemplated under the Consultancy and Services Agreement, the Business Operation Agreement, the Share Disposal Agreement and the Equity Pledge Agreement and the ancillary documents thereto, with the purpose of enabling the Group, among other matters, to obtain the economic benefits of the right and ability to control the business of Beijing Chuanglian Education. For details please refer to the Circulars

“Group”	the Company, its subsidiaries and consolidated affiliated entity(ies)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Waiver”	the conditional waiver granted by the Stock Exchange on 31 August 2017 to the Company which comprise (i) the conditional waiver granted by the Stock Exchange on 26 October 2015 to the Company; and (ii) waiving the requirements under Listing Rules 14A.35, 14A.36, 14A.52 and 14A.53 in relation to the renewal and reproduction of the Existing Contractual Arrangements. For details please refer to the circular of the Company dated 19 October 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Lu”	Mr. Lu Xing (路行), an executive Director, the Chairman of the Board and a substantial shareholder of the Company (who directly and indirectly holds approximately 21.02% of the issued Shares in aggregate as at the date of this announcement). He is also one of the Registered Shareholders
“Mr. Zhang”	Mr. Zhang Jie (張杰), an executive Director and a shareholder of the Company (who directly holds approximately 0.13% of the issued Shares as at the date of this announcement). He is also one of the Registered Shareholders
“Ms. Gao”	Ms. Gao Rui (高蕊), one of the Registered Shareholders
“New Contractual Arrangements”	the series of contractual arrangements entered into by and among Beijing Chuanglian Education, Beijing Chuanglian Guopei and the Registered Shareholders, details of which are described in the section headed “The New Contractual Arrangements” in this announcement
“Power(s) of Attorney”	the powers of attorney entered into among Beijing Chuanglian Guopei and each of the Registered Shareholders on 26 August 2024

“Registered Shareholder(s)”	Mr. Lu, Mr. Zhang and Ms. Gao, being the registered shareholders of Beijing Chuanglian Education as to 22%, 50% and 28% equity interest, respectively
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Disposal Agreement”	the share disposal agreement dated 25 March 2011 and entered into between Beijing Chuanglian Education, Beijing Chuanglian Guopei and Mr. Lu (as amended and supplemented by the supplemental agreement dated 16 December 2015), pursuant to which Beijing Chuanglian Guopei is granted an exclusive right to acquire, directly or through one or more nominees, from Mr. Lu, the entire equity interest in Beijing Chuanglian Education at the minimum amount as permitted by the applicable PRC laws, while Beijing Chuanglian Guopei may exercise such option at any time and in any manner at its sole discretion subject to compliance with the PRC laws and regulations
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the Board
Chuanglian Holdings Limited
Lu Xing
Chairman and executive Director

Hong Kong, 26 August 2024

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

* For identification purpose only