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CHINA E-LEARNING GROUP LIMITED

中國網絡教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

DISCLOSEABLE TRANSACTION ON-MARKET PURCHASES OF WAI CHI SHARES RESUMPTION OF TRADING

THE ACQUISITION

During the period from 17 December 2015 to 14 January 2016, the Company purchased a total of 7,427,000 Wai Chi Shares on the Stock Exchange at a total consideration of approximately HK\$29.4 million. As a result of the Acquisition, the Group will hold 3.71% of Wai Chi Shares.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction (instead of a major transaction as disclosed in the Company's trading halt announcement dated 15 January 2016) and is subject to notification and announcement requirements under Chapter 14 of the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on GEM was halted with effect from 9:00 a.m. on 15 January 2016 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on 18 January 2016.

THE ACQUISITION

During the period from 17 December 2015 to 14 January 2016, the Company purchased a total of 7,427,000 Wai Chi Shares on the Stock Exchange at a total consideration of approximately HK\$29.4 million.

The Acquisition took place on-market and the Company is not aware of the identities of the related sellers. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

INFORMATION ON WAI CHI SHARES

As a result of the Acquisition, the Group will hold 3.71% of the total issued share capital of Wai Chi.

Wai Chi is principally engaged in investment holding.

The table below sets out the profit before and after tax of the Wai Chi Group for the six months ended 30 June 2015 and the year ended 31 December 2014, according to the 2015 interim report of Wai Chi and the 2014 annual report of Wai Chi:

	For the six months ended 30 June 2015 <i>HK\$'000</i> (Unaudited)	For the year ended 31 December 2014 <i>HK\$'000</i> (Audited)
Profit before tax	44,676	81,588
Profit after tax	36,130	61,193

REASON FOR AND BENEFIT OF THE ACQUISITION

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs.

The Acquisition on-market provided an opportunity for the Group to acquire its interest in Wai Chi Group at market prices. The Group anticipates that the value of the Wai Chi Shares will appreciate over time and the Group will be benefited from such appreciation and any dividends which may be declared by Wai Chi in the future. The Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the purchase of a total of 7,427,000 Wai Chi Shares on the Stock Exchange during the period from 17 December 2015 to 14 January 2016
“Board”	the board of Directors
“Company”	China E-Learning Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 08055)
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM
“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 PRC
“percentage ratios”	the percentage ratio(s) calculated based on the requirements under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wai Chi”	Wai Chi Holdings Company 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: 1305)
“Wai Chi Group”	Wai Chi and its subsidiaries
“Wai Chi Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of Wai Chi

By Order of the Board
China E-Learning Group Limited
Yuan Wei
Executive Director

Hong Kong, 15 January 2016

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Yuan Wei and Mr. Yang Jilin; one non-executive director, Mr. Li Xiangjun; and three independent non-executive directors, namely Dr. Huang Chung Hsing, Mr. Li Qunsheng and Ms. Li Ya Ru Nancy.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page and the website of the Company at www.chinae-learning.com for at least 7 days from the date of its publication.