

CHINA EDUCATION ALLIANCE INC.
Form 8-K
July 08, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 7, 2008

CHINA EDUCATION ALLIANCE, INC.
(Exact name of registrant as specified in its charter)

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| <u>North Carolina</u> (State or other jurisdiction of incorporation) | <u>000-52092</u> (Commission File Number) | <u>56-2012361</u> (IRS Employer Identification No.) |
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| <u>58 Heng Shan Road, Kun Lun Shopping Mall</u> <u>Harbin, People's Republic of China</u> (Address of principal executive offices) | <u>150090</u> (Zip Code) |
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Registrant's telephone number, including area code: **86-451-8233-5794**

Copies to:
Benjamin Tan, Esq.
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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

Item 2.01 Completion of Acquisition or Disposition of Assets

On April 18, 2008, the registrant's wholly-owned subsidiary, Harbin Zhong He Li Da Education Technology, Inc. entered into an agreement and supplementary agreement with Harbin Daily Newspaper Group to invest in a joint venture company, Harbin New Discovery Media Co., Ltd. Harbin Zhong He Li Da Education Technology, Inc. contributed RMB 3,000,000 (approximately, \$430,000) and Harbin Daily Newspaper Group contributed RMB 3,120,000 (approximately, \$445,000) towards the registered capital of Harbin New Discovery Media Co.

In return for their respective contributions, Harbin Zhong He Li Da Education Technology, Inc. will own 49.02% equity interest and Harbin Daily Newspaper Group will own 50.98% equity interest in Harbin New Discovery Media Co., Ltd. The parties are prohibited, for the duration of the joint venture from retiring or transferring their equity interests.

Pursuant to the terms of the supplementary agreement, Harbin Daily Newspaper Group shall assign all its rights in the "Scientific Discovery" newspaper exclusively to the joint venture company, Harbin New Discovery Media Co. In the event that the rights to "Scientific Discovery" expire because of reason other than a change in government policies and an inability to defend against or resist such changes, Harbin Daily Newspaper Group is liable to Harbin Zhong He Li Da Education Technology, Inc. for twice the latter's registered contribution in the joint venture in liquidated damages.

The abovementioned transaction closed on July 7, 2008.

Item 8.01. Other Events

On July 8, 2008, the registrant issued a press release annexed hereto as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits
- 10.1 Agreement and Supplementary Agreement between Harbin Zhong He Li Da Education Technology, Inc. and Harbin Daily Newspaper Group dated April 18, 2008.
 - 99.1 Press Release, July 8, 2008, issued by China Education Alliance, Inc.
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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHINA EDUCATION ALLIANCE, INC.

Dated: July 8, 2008

By: */s/ Xiqun Yu*
Name: Xiqun Yu
Title: Chief Executive Officer and President
