
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in China Chunlai Education Group Co., Ltd. (the "Company"), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA CHUNLAI EDUCATION GROUP CO., LTD.

中國春來教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1969)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, RE-APPOINTMENT OF AUDITORS AND NOTICE OF ANNUAL GENERAL MEETING

This circular together with a form of proxy will remain on the website of the Company at www.chunlaiedu.com.

A notice convening the AGM of China Chunlai Education Group Co., Ltd. to be held at 10:00 a.m. on Friday, 25 September 2020, at 35F, Building No. 9, east of Dongfeng South Road and north of Jinshui East Road, Zhengzhou Area (Zhengdong), China (Henan) Pilot Free Trade Zone (中國(河南)自由貿易試驗區鄭州片區(鄭東)東風南路東、金水東路北九號樓35層), is set out on pages 16 to 19 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) if you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Practical measures will be taken to try to avoid the spread of COVID-19 at the Annual General Meeting, including:

- Compulsory temperature checks and health declarations for all attendees, including Directors and Shareholders
- Prohibition from attendance at the Annual General Meeting if the attendee has a fever. Persons exhibiting flu-like symptoms may also be refused admittance to the venue of the Annual General Meeting
- Compulsory wearing of surgical face masks throughout the Annual General Meeting
- Maintaining proper distance between seats
- No refreshments will be served at the Annual General Meeting

Any person who does not comply with the precautionary measures may be denied entry into the venue of the Annual General Meeting. The Company reminds Shareholders that they may appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attend the Annual General Meeting in person.

27 August 2020

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 10:00 a.m. on Friday, 25 September 2020 at 35F, Building No. 9, east of Dongfeng South Road and north of Jinshui East Road, Zhengzhou Area (Zhengdong), China (Henan) Pilot Free Trade Zone (中國(河南)自由貿易試驗區鄭州片區(鄭東)東風南路東、金水東路北九號樓35層) (or any adjournment thereof)
“AGM Notice”	the notice convening the AGM set out on pages 16 to 19 of this circular
“Articles”	the articles of association of the Company (as amended from time to time)
“Board”	the board of Directors
“close associate(s)”	has the same meaning as defined under the Listing Rules
“Companies Law”	the Companies Law (2020 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	China Chunlai Education Group Co., Ltd., an exempted company with limited liability incorporated in the Cayman Islands on 15 November 2017, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1969)
“core connected person(s)”	has the same meaning as defined under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and its consolidated affiliated entities
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to authorise them to exercise all powers of the Company to allot, issue and deal with Shares of the Company as set out in the resolutions numbered 4 and 6 of the AGM Notice
“Latest Practicable Date”	19 August 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China and, except where the context requires otherwise and only for the purposes of this circular, references to the PRC exclude Hong Kong, Macau and Taiwan
“PRC Operating Schools”	Shangqiu University (including Shangqiu University Applied Science and Technology College) and Anyang University
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to authorise them to exercise all powers of the Company to repurchase Shares of the Company as set out in the resolution numbered 5 of the AGM Notice
“School Sponsor”	Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團), a private non-enterprise entity (民辦非企業單位) established in the PRC on 18 October 2004, one of our consolidated affiliated entities and the sole school sponsor of each of our PRC Operating Schools
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-Backs issued by the Securities and Futures Commission, as amended or supplemented from time to time

LETTER FROM THE BOARD



CHINA CHUNLAI EDUCATION GROUP CO., LTD.

中國春來教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1969)

Executive Directors:

Mr. Hou Junyu (*Chief Executive Officer*)

Ms. Jiang Shuqin

Non-Executive Director:

Mr. Hou Chunlai (*Chairman*)

Independent Non-Executive Directors:

Dr. Jin Xiaobin

Ms. Fok, Pui Ming Joanna

Mr. Lau, Tsz Man

Registered office:

Cayman Corporate Centre

27 Hospital Road

George Town

Grand Cayman KY1-9008

Cayman Islands

*Principal place of business
in Hong Kong:*

40/F, Sunlight Tower

248 Queen's Road East

Wanchai

Hong Kong

27 August 2020

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding (i) the granting to the Directors the Issue Mandate and the Repurchase Mandate; (ii) the re-election of Directors; and (iii) the re-appointment of auditors of the Company and to give the Shareholders notice of the AGM regarding the proposed resolutions which will be dealt with at the AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to the resolutions of the Shareholders passed on 11 January 2019, being the date of last annual general meeting of the Company, the Directors were granted (i) a general unconditional mandate to allot, issue and deal in Shares not exceeding 20% of the total number of Shares in issue immediately following the conclusion of the last annual general meeting of the Company; (ii) a general unconditional mandate to repurchase Shares up to 10% of the total number of Shares in issue immediately following the conclusion of the last annual general meeting of the Company; and (iii) to extend the general mandate mentioned in (i) above by the addition of an amount representing the aggregate number of Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (ii) above.

The above general mandates will remain in effect until whichever is the earliest of (i) the conclusion of the AGM; or (ii) the expiration of the period within which the AGM is required to be held by any applicable law or the Articles; or (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and authorise the extension of the Issue Mandate by addition of an amount representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate, details of which are set out in ordinary resolutions numbered 4 and 6 of the AGM Notice. The Shares which may be issued and allotted pursuant to the Issue Mandate is limited to a maximum of 20% of the number of issued Shares as at the date of passing of the resolution approving the Issue Mandate. On the basis that 1,200,000,000 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Issue Mandate (without being extended by the number of Shares (if any) repurchased by the Company under the Repurchase Mandate) could result in up to 240,000,000 Shares being issued and allotted by the Company.

3. EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution numbered 5 of the AGM Notice. The Shares of the Company which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the number of issued Shares as at the date of passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the Listing Rules, in particular Rule 10.06(1)(b), giving certain information regarding the Repurchase Mandate is set out in the Appendix I hereto.

LETTER FROM THE BOARD

4. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of six Directors, namely Mr. Hou Junyu, Ms. Jiang Shuqin, Mr. Hou Chunlai, Dr. Jin Xiaobin, Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man.

In accordance with Article 108(a) of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (save and except those Directors in respect of whom the provision of Article 112 applies), or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Hou Chunlai (“**Chairman Hou**”) and Ms. Jiang Shuqin (“**Ms. Jiang**”) will retire by rotation at the AGM and, being eligible, offers themselves for re-election at the AGM. Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II of this circular.

At the Annual General Meeting, the re-election of each of the retiring Directors will be voted on individually by a separate ordinary resolution as set out in the notice convening the Annual General Meeting.

5. PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

The nomination committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

5.1 Selection Criteria

In evaluating and selecting any candidate for directorship, the following criteria (among other things) should be considered:

- (a) Character and integrity.
- (b) Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the Company’s business and corporate strategy.
- (c) Any measurable objectives adopted for achieving diversity on the Board.
- (d) Requirement for the Board to have independent Directors in accordance with the Listing Rules, and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- (e) Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

LETTER FROM THE BOARD

- (f) Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- (g) Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

5.2 Nomination Procedures

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate with reference to the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (iv) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate with reference to the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.

LETTER FROM THE BOARD

- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

6. RECOMMENDATION OF THE NOMINATION COMMITTEE

The nomination committee has considered the extensive experience of Chairman Hou and Ms. Jiang, their working profile and other experience and factors as set out in their biographical details in Appendix II to this circular. The Nomination Committee is satisfied that Chairman Hou and Ms. Jiang have the required character, integrity and experience to continuously fulfill their roles as Directors effectively. The Board believed that their re-election as the Directors would be in the best interests of the Company and its Shareholders as a whole.

Details of the retiring Directors as proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

7. RE-APPOINTMENT OF THE AUDITORS

With reference to the announcement of the Company dated 13 January 2020, Deloitte Touche Tohmatsu (“**Deloitte**”) has resigned as auditors of the Company with effect from 10 January 2020. In accordance with Article 176 of the Articles, where there exists a casual vacancy for the auditor position, the Board shall be entitled to appoint an accounting firm to fill the vacancy until the conclusion of the next annual general meeting. Accordingly, the Board has appointed ZHONGHUI ANDA CPA Limited (“**Zhonghui Anda**”) as the new auditor of the Group with effect from 12 January 2020 to fill the vacancy arising from the resignation of Deloitte.

Zhonghui Anda will retire as the auditor of the Company at the AGM and, being eligible, offer itself for re-appointment.

The Board hereby proposed the Shareholders to approve the re-appointment of Zhonghui Anda as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

8. ANNUAL GENERAL MEETING

The AGM will be held on Friday, 25 September 2020. The notice convening the AGM of which ordinary resolutions will be proposed to approve the Issue Mandate and the Repurchase Mandate, to re-elect the retiring Directors and to re-appoint Zhonghui Anda as the auditor of the Company are set out on page 16 to page 19 of this circular.

In accordance with the requirements of the Listing Rules, all votes at the AGM will be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as practicable but in any event not less than 48 hours before the time fixed for the AGM (or any adjournment thereof). The completion of a form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person if you so wish.

9. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the chairman of the AGM will exercise his power under the Articles to demand a poll for all resolutions proposed at the AGM.

An announcement on the poll results will be made by the Company after the AGM on websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chunlaiedu.com) respectively in due course.

10. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 22 September 2020 to Friday, 25 September 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 21 September 2020.

11. CONTINUED SUSPENSION OF TRADING

The Company published an announcement on 2 December 2019 stating its inability to comply with Rule 13.49 of the Listing Rules to publish its annual results for the year ended 31 August 2019 no later than three months after the end of the financial year of the Company, i.e. on or before 30 November 2019. Shares of the Company have been suspended from trading since 2 December 2019 pursuant to Rule 13.50 of the Listing Rules. Further, on 13 January

LETTER FROM THE BOARD

2020, the Company announced that given the delay in the publication of the annual results for the year ended 31 August 2019, the annual report of the Company for the year ended 31 August 2019 (“**2019 Annual Report**”) would not be ready by 31 December 2019, and such delay in despatching the 2019 Annual Report constituted non-compliance with Rule 13.46(2)(a) of the Listing Rules. On 29 May 2020, the Company announced that given the delay in finalizing the required audit work in connection with the consolidated financial statements of the Group for the year ended 31 August 2019 and the delay in despatching the 2019 Annual Report, the interim report of the Company for the six months ended 29 February 2020 (the “**2020 Interim Report**”) would also not be ready for despatch by 31 May 2020, and such delay in despatching the 2020 Interim Report constituted non-compliance with Rule 13.48(1) of the Listing Rules. For further details, please refer to the announcements of the Company dated 2 December 2019, 13 January 2020, 27 March 2020, 9 April 2020, 29 May 2020 and 9 July 2020. The Company has published its unaudited annual results for the year ended 31 August 2019 on 29 April 2020, unaudited interim results for the six months ended 29 February 2020 on 29 April 2020 (as supplemented by a supplemental announcement dated 3 May 2020) and an update announcement dated 20 August 2020 on the annual results for the year ended 31 August 2019 and the interim results for the six months ended 29 February 2020.

12. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

13. RECOMMENDATION

The Directors believe that (i) the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate; (ii) the re-election of the retiring Directors; and (iii) the re-appointment of auditors of the Company are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all resolutions approving such matters.

14. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
On behalf of the Board
China Chunlai Education Group Co., Ltd.
Hou Junyu
Executive Director

This appendix serves as an explanatory statement, as required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules, to provide you with the requisite information for your consideration of the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, on the basis that 1,200,000,000 Shares are in issue and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate could result in up to 120,000,000 Shares being repurchased by the Company during the period from the passing of resolution numbered 5 set out in the AGM Notice up to the earliest of (i) the conclusion of the next annual general meeting of the Company unless otherwise renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions; (ii) the expiration of the period within which the Company's next annual general meeting is required by the Articles or any other applicable laws to be held; or (iii) the date on which it is varied or revoked by an ordinary resolution of the Shareholders passed in a general meeting.

2. REASONS FOR THE REPURCHASE MANDATE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING AND EFFECT OF REPURCHASES OF SHARES

Any repurchase of shares made pursuant to the Repurchase Mandate must be funded out of funds legally available for the purpose in accordance with the Articles, the Companies Law and other applicable laws of the Cayman Islands. The Company may not repurchase its own securities for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

The Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 August 2019, being the date of its latest

published audited financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

4. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

5. INTENTION TO SELL SHARES

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective close associates, have any present intention, in the event that the proposal on the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

6. TAKEOVERS CODE AND MINIMUM PUBLIC SHARE HOLDING

If, on exercise of the powers of repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, Mr. Hou Junyu is interested in 900,000,000 Shares held through Chunlai Investment Co., Ltd., a company wholly-owned by Mr. Hou Junyu. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then the attributable interest of Mr. Hou Junyu would be increased from 75% to approximately 83.33% of the total number of Shares in issue. Such increase would not give rise to any general offer obligation under the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate and will not effect repurchases to such extent which would result in the number of Shares held by the public falling below the prescribed minimum percentage of 25% as required under the Listing Rules.

7. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares whether on the Stock Exchange or otherwise during the period from the last annual general meeting of the Company to the Latest Practicable Date.

8. CORE CONNECTED PERSON

No core connected person of the Company has notified the Company that he/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. SHARE PRICES

The Shares have been traded on the Stock Exchange since the Listing Date and the highest and lowest traded prices for Shares recorded on the Stock Exchange during the following months preceding the Latest Practicable Date were as follows:

	Highest traded price HK\$	Lowest traded price HK\$
2019		
January	1.50	1.32
February	1.64	1.40
March	1.63	1.45
April	1.57	1.36
May	1.58	1.40
June	1.66	1.42
July	1.66	1.53
August	1.75	1.53
September	1.70	1.41
October	1.63	1.39
November	1.62	1.36
December (Shares suspended)	N/A	N/A
2020		
January (Shares suspended)	N/A	N/A
February (Shares suspended)	N/A	N/A
March (Shares suspended)	N/A	N/A
April (Shares suspended)	N/A	N/A
May (Shares suspended)	N/A	N/A
June (Shares suspended)	N/A	N/A
July (Shares suspended)	N/A	N/A
August (Shares suspended up to the Latest Practicable Date)	N/A	N/A

Trading in the Shares was suspended with effect from 9:00 a.m. on 2 December 2019 and remained suspended as of the Latest Practicable Date.

Stated below are the details of the Directors who will retire and be eligible for re-election at the AGM in accordance with the Articles.

Mr. Hou Chunlai (侯春來), aged 51, is the founder of the Group. Chairman Hou was appointed as the Company's non-executive Director and chairman of the Board on 12 February 2018. He is responsible for overseeing the corporate development and strategic planning of the Group. Chairman Hou is also concerned with the following positions:

- standing director of China Association for Private Education (since November 2011); and
- director of China Association for Private Education, Higher Education Committee (January 2010 to January 2015).

Chairman Hou is also actively engaged in civil affairs in the PRC. In particular, Chairman Hou had been a delegate of the Twelfth Henan People's Congress (河南省第十二屆人民代表大會) during the period from December 2012 to December 2017. Chairman Hou was awarded 'Advanced Individual' of Henan Private Education (河南省民辦教育先進個人) by the Education Department of Henan Province (河南省教育廳) in October 2016.

Chairman Hou graduated from Nankai University (南開大學) in December 2006 with a master's degree in business administration and obtained the qualification as an associate professorship of Shangqiu University in November 2013. Chairman Hou is the spouse of Ms. Jiang and father of Mr. Hou Junyu.

Chairman Hou entered into a service contract with the Company on 15 January 2017. The initial term of his service contract commenced from the date of his appointment as a non-executive Director and will continue for a period of three years after or until the third annual general meeting of the Company thereafter, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing. Chairman Hou will receive a director's fee of HK\$2,600,000 per year which was determined with reference to his duties and responsibilities with the Company, his experience and the prevailing market conditions.

Chairman Hou has not held any directorship in the last three years in any other public company the securities of which are listed on any securities market in Hong Kong or overseas. As at the Latest Practicable Date, Chairman Hou is interested in 8,000,000 share options exercisable into 8,000,000 Shares pursuant to the Pre-IPO share option scheme of the Company adopted on 9 August 2018 within the meaning of Part XV of the SFO. Chairman Hou is also deemed to be interested in all the shares held by Ms. Jiang (since Ms. Jiang is the spouse of Chairman Hou).

Save as disclosed above, Chairman Hou (a) did not hold any other position in the Company or other members of the Group; and (b) did not have any other relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Ms. Jiang Shuqin (蔣淑琴), aged 54, was appointed as an executive Director of the Company on 12 February 2018. Ms. Jiang has served as an executive Director of the School Sponsor since the establishment of the Group and has been the financial controller of each of the PRC Operating Schools since their establishment. Ms. Jiang is primarily responsible for the strategic development, daily management and overseeing financial operations of the Group. Ms. Jiang has over 13 years of experience in the education industry and financial management. Ms. Jiang attended senior secondary education in PRC. She is the spouse of Chairman Hou and mother of Mr. Hou Junyu. She is also sister-in-law of Mr. Yang Xinzhong and cousin of Mr. Jiang Yongqi, both members of senior management of the Company.

Ms. Jiang entered into a service contract with the Company on 12 February 2018. The initial term of her service contract commenced from the date of her appointment as an executive Director and will continue for a period of three years after or until the third annual general meeting of the Company thereafter, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing. Ms. Jiang will receive a director's fee of HK\$1,500,000 per year which was determined with reference to her duties and responsibilities with the Company, her experience and the prevailing market conditions.

Ms. Jiang has not held any directorship in the last three years in any other public company the securities of which are listed on any securities market in Hong Kong or overseas. As at the Latest Practicable Date, Ms. Jiang is interested in 8,000,000 share options exercisable into 8,000,000 Shares pursuant to the Pre-IPO share option scheme of the Company adopted on 9 August 2018 within the meaning of Part XV of the SFO. Ms. Jiang is also deemed to be interested in all the shares held by Chairman Hou (since Ms. Jiang is the spouse of Chairman Hou).

Save as disclosed above, Ms. Jiang (a) did not hold any other position in the Company or other members of the Group; and (b) did not have any other relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Saved as disclosed herein, in relation to the re-election of the above-mentioned Directors, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



CHINA CHUNLAI EDUCATION GROUP CO., LTD.

中國春來教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1969)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China Chunlai Education Group Co., Ltd. (the “Company”) will be held at 10:00 a.m. on Friday, 25 September 2020 at 35F, Building No. 9, east of Dongfeng South Road and north of Jinshui East Road, Zhengzhou Area (Zhengdong), China (Henan) Pilot Free Trade Zone (中國(河南)自由貿易試驗區鄭州片區(鄭東)東風南路東、金水東路北九號樓35層) for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited financial statements of the Company and the reports of the directors (the “**Director(s)**”) and the auditors of the Company for the year ended 31 August 2019.
2. To re-elect the following retiring Directors of the Company and to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration (as separate resolutions):
 - (i) To re-elect Mr. Hou Chunlai as a non-executive Director.
 - (ii) To re-elect Ms. Jiang Shuqin as an executive Director.
 - (iii) To authorise the Board to fix the remuneration of the Directors.
3. To re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and to authorise the Board to fix its remuneration.

As special business, to consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d)

NOTICE OF ANNUAL GENERAL MEETING

below) of all the powers of the Company to allot, issue or otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options, including bonds and warrants to subscribe for shares of the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of issued shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of issued shares of the Company in issue as at the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of issued shares of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate number of issued shares of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolutions;

“Right Issue” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares of the Company open for a period fixed by the Directors to holder of shares of the Company on the Company’s register of members on a fixed record date in proportion to their then holdings of shares of the Company (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**), or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of issued shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the number of issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” shall have the same meaning as the resolution numbered 4 above.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal amount of the shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate number of issued shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

By order of the Board
China Chunlai Education Group Co., Ltd.
Hou Junyu
Executive Director

Hong Kong, 27 August 2020

Notes:

- (1) A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the AGM (or at any adjournment thereof) is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM (or at any adjournment thereof). Completion and return of the form of proxy will not preclude members from attending and voting in person at the AGM (or at any adjournment thereof).
- (5) For the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 22 September 2020 to Friday, 25 September 2020, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 21 September 2020.
- (6) According to Rule 13.39(4) of the Listing Rules, the voting at the AGM will be taken by poll.

As at the date of this notice, the Board comprises Mr. Hou Junyu as executive Director and chief executive officer, Ms. Jiang Shuqin as executive Director, Mr. Hou Chunlai as non-executive Director and chairman, and Dr. Jin Xiaobin, Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man as independent non-executive Directors.