
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 your 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 Vocational Education Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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China Vocational Education Holdings Limited
中國職業教育控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code:1756)

- (1) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND REPORTS OF DIRECTORS AND INDEPENDENT AUDITOR;**
**(2) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;**
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(4) RE-APPOINTMENT OF INDEPENDENT AUDITOR;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at 6/F, The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC on Friday, January 26, 2024 at 10 a.m. is set out on pages 15 to 18 of this circular.

A form of proxy for use at the Company's annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Company's shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the proxy shall be deemed to be revoked.

All times and dates specified herein refer to Hong Kong local times and dates.

December 20, 2023

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 6/F, The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC on Friday, January 26, 2024 at 10 a.m. or any adjournment thereof, the notice of which is set out on pages 15 to 18 of this circular
“Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	China Vocational Education Holdings Limited (中國職業教育控股有限公司) (formerly known as Huali University Group Limited (華立大學集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1756)
“Director(s)”	the director(s) of the Company
“Extension Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 4(C) in the notice of the Annual General Meeting set out on pages 15 to 18 of this circular to be granted to the Directors to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 4(A) in the notice of the Annual General Meeting set out on pages 15 to 18 of this circular to be granted to the Directors to allot and issue Shares up to an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“Latest Practicable Date”	December 13, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	the date on which the Shares are listed on the Main Board of the Stock Exchange, being November 25, 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China which, for the purpose of this circular only, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 4(B) in the notice of the Annual General Meeting set out on pages 15 to 18 of this circular to be granted to the Directors to repurchase the Shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code” the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission of Hong Kong, as amended and supplemented from time to time

“%” per cent.

In this circular, the terms “close associate(s)”, “core connected person(s)”, “controlling shareholder(s)”, “subsidiary/subsidiaries” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

LETTER FROM THE BOARD

China Vocational Education Holdings Limited
中國職業教育控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code:1756)

Executive Directors

Mr. Zhang Zhifeng (*Chairman of the Board*)
Mr. Ye Yaming
Mr. Zhang Yude
Mr. Zou Kang

Independent Non-executive Directors

Ms. Chiu Lai Kuen Susanna MH JP
Mr. Yang Ying
Mr. Ding Yi

Registered office

P.O. Box 309, Umland House
Grand Cayman KY1-1104
Cayman Islands

Headquarters in the PRC

The Administration Building of
Guangzhou Huali Science
and Technology Town
No. 11 Huali Road
Zengcheng District
Guangzhou
Guangdong Province
PRC

Principal place of business in Hong Kong

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

December 20, 2023

To the Shareholders

Dear Sir or Madam,

- (1) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND REPORTS OF DIRECTORS AND INDEPENDENT AUDITOR;**
**(2) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;**
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(4) RE-APPOINTMENT OF INDEPENDENT AUDITOR;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information in respect of the resolutions to be proposed at the Annual General Meeting for, among others, (i) the adoption of audited consolidated financial statements and reports of the Directors and the independent auditor for the year ended August 31, 2023; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of retiring Directors; and (iv) the re-appointment of independent auditor.

ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS OF DIRECTORS AND INDEPENDENT AUDITOR

The audited consolidated financial statements of the Company for the year ended August 31, 2023, together with the reports of the Directors and the independent auditor, are set out in the Company's annual report for the year ended August 31, 2023, which may be viewed and downloaded from the Company's website (www.cveduholdings.com) and the Stock Exchange's website (www.hkexnews.hk). The audited consolidated financial statements have been reviewed by the Audit Committee.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to allot and issue new Shares and to exercise the powers of the Company to repurchase its own Shares, approval is to be sought from the Shareholders pursuant to the Listing Rules, for the Issue Mandate and the Extension Mandate to allot and issue Shares and the Repurchase Mandate to repurchase its own Shares. As such, ordinary resolutions will be proposed to seek the Shareholders' approval for the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting. Details of the aforesaid resolutions are set out in ordinary resolutions numbered 4(A), 4(B) and 4(C) in the notice of Annual General Meeting.

An ordinary resolution will be proposed at the Annual General Meeting to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed resolution. As at the Latest Practicable Date, there were 1,200,000,000 Shares in issue. Subject to the passing of the above proposed ordinary resolution in relation to the Issue Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company would be allowed to allot and issue a maximum of 240,000,000 Shares, calculated based on 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof.

In addition, subject to a separate approval of the ordinary resolution numbered 4(C), the aggregate nominal amount of Shares repurchased by the Company under ordinary resolution numbered 4(B), if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20% limit of the Issue Mandate as mentioned in the proposed ordinary resolution numbered 4(A) provided that such additional number shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Issue Mandate and the Repurchase Mandate.

LETTER FROM THE BOARD

The Issue Mandate, the Repurchase Mandate and the Extension Mandate, if approved at the Annual General Meeting, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consists of seven Directors: four executive Directors, namely Mr. Zhang Zhifeng, Mr. Ye Yaming, Mr. Zhang Yude and Mr. Zou Kang; and three independent non-executive Directors, namely Ms Chiu Lai Kuen Susanna MH JP, Mr. Yang Ying and Mr. Ding Yi.

In accordance with article 16.19 of the Articles of Association, at each Annual General Meeting one-third of the Directors for the time being, 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. The Directors to retire in every year will be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Accordingly, Mr. Zhang Yude (executive Director), Mr. Zou Kang (executive Director), Mr. Yang Ying (independent non-executive Director) and Mr. Ding Yi (independent non-executive Director), who have been longest in office since their respective last election, shall retire at the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors thereat.

The proposal of re-election of Directors took into account a wide range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of services of the candidates, with due regard of the Company's nomination policy and the Company's board diversity policy.

Details of the abovementioned Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

Each of the candidates for independent non-executive Directors has met the independence requirements as set out in Rule 3.13 of the Listing Rules. When determining suitable candidates for independent non-executive Directors, the Company takes into full account the benefits of diversity on the Board and considers factors including but not limited to: (1) relevant accomplishment and professional knowledge and industry experience of the candidates; (2) the candidates' commitment in respect of available time, interest and attention to the businesses of the Company; (3) perspectives, skills and experience that the candidates can bring to the Board; and (4) diversity in all its aspects, including but not limited to gender, age, cultural and

LETTER FROM THE BOARD

educational background, experience (professional or otherwise), skills and knowledge. Having considered the above, the Company is of the view that the candidates for independent non-executive Directors can bring valuable contributions to the Company and further promote the diversity on the Board.

RE-APPOINTMENT OF INDEPENDENT AUDITOR

PricewaterhouseCoopers, which has audited the consolidated financial statements of the Company for the year ended August 31, 2023, will retire as the independent auditor at the Annual General Meeting and, being eligible, offer itself for re-appointment. The Board proposes to re-appoint PricewaterhouseCoopers as an independent auditor in respect of the audited consolidated financial statements of the Group for the year ending August 31, 2024 and to authorise the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 15 to 18 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve (i) the adoption of audited consolidated financial statements and reports of the Directors and the independent auditor for the year ended August 31, 2023; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of retiring Directors; and (iv) the re-appointment of independent auditor.

FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 13.5 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the proposed resolutions for (i) the adoption of audited consolidated financial statements and reports of the Directors and the independent auditor for the year ended August 31, 2023; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of retiring Directors; and (iv) the re-appointment of independent auditor are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

The English text of this circular and form of proxy shall prevail over the Chinese text.

Yours faithfully,
On behalf of the Board
China Vocational Education Holdings Limited
Zhang Zhifeng
Chairman

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, none of the following Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Director has any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

DIRECTOR CANDIDATES

Executive Directors

Mr. ZHANG Yude (張裕德), aged 32, was first appointed as a non-executive Director of our Company on December 18, 2017 and re-designated from a non-executive Director to an executive Director and appointed as the chief operating officer of the Company on November 19, 2021. He is primarily responsible for vocational education and training business of our Group.

Mr. Zhang Yude has been the assistant to the chairman of Guangzhou Huali Investment Company Limited (廣州華立投資有限公司) since December 2015. Prior to joining our Group, Mr. Zhang Yude served as a financial analyst at Mandarin Investment Group in California, the United States of America from May 2014 to December 2015.

Mr. Zhang Yude is the son of Mr. Zhang Zhifeng, the chairman of the Board and an executive Director.

Mr. Zhang Yude was one of the beneficiaries of HL-Diamond Trust. Therefore, Mr. Zhang Yude is deemed to be interested in the 900,000,000 Shares held by Huali Education Holdings Limited.

Mr. Zhang Yude has entered into a service agreement with the Company for an initial term of three years commencing from November 19, 2021 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service agreement, Mr. Zhang Yude is entitled to a director's remuneration of RMB324,000 per annum.

Mr. ZOU Kang (鄒康), aged 56, has intensive experience in both management and research on technical education and professional training. He has been the President and the Secretary of Party Committee of Guangdong Province Huali Technician College (廣東省華立技師學院) since September 2018.

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

Prior to joining the Group, Mr. Zou successively served as a faculty member, the deputy director of Academic & Student Affairs Department, the director of President's Office, the President Assistant, the Deputy President, the President, and the Secretary of Party General Branch of Jiangmen Technician College (江門市技師學院) (previously known as 江門市高級技工學校), from December 1992 to August 2018. He was awarded the Provincial Prominent Teacher of Technician Colleges of Guangdong in 1995, the Prominent President of Jiangmen City in 2002, and the Prominent President of Guangdong Technician Colleges in 2011.

Mr. Zou obtained a Bachelor of Science degree in Mathematics from the Jiangxi Normal University(江西師範大學) in the PRC in July 1988 and obtained the Training Course Certificate of Graduate Students from the South China Normal University (華南師範大學) in the PRC in May 1996. He obtained the Senior Lecturer Professional Title in Mathematics in 1999 and was selected as a national supervisor of technician colleges by the Ministry of Human Resources and Social Security of the PRC in 2009.

Mr. Zou has entered into a service agreement with the Company for an initial term of three years commencing on November 19, 2021 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service agreement, Mr. Zou is entitled to a director's remuneration of RMB324,000 per annum.

Independent Non-executive Directors

Mr. YANG Ying (楊英), aged 65, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee on August 16, 2019. He is primarily responsible for supervising the compliance and corporate governance matters of the Group and providing independent opinions and advice to the Board.

Mr. Yang is a professor at the School of Economics and the dean of the Investment Economics Department at Jinan University (暨南大學). Mr. Yang joined Jinan University in April 1988, at which he was successively a teaching assistant, lecturer and associate professor at the School of Economics before being appointed to his current position. Prior to joining Jinan University, Mr. Yang was a teaching assistant in finance at the Guangdong Institute for Nationalities (廣東民族學院財經系) from September 1987 to April 1988.

Apart from his teaching career, Mr. Yang has played an active role in civic engagements. He was a member of the Standing Committee of the 11th and 12th People's Congress of Guangdong Province (第十一屆及第十二屆廣東省人大常委會) and is the vice-president of Council of the 1st Think Tank Association for the Promotion of Economic and Scientific Development of Guangdong Province (第一屆廣東省經濟科學發展智庫促進會理事會).

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following table also sets out Mr. Yang's key publications:

Year of publication	Title	Publisher/Newspaper (as the case maybe)
2002	New Theory of Hong Kong Economy (《香港經濟新論》)	Jinan University Publishing (暨南大學出版社)
2016	Preliminary Study on the Basic Ideas about Construction of the GPRD Free Trade Area (《廣東自由貿易試 驗區基本建設思路研究》)	China Development (《中國發展》)

Mr. Yang has entered into an appointment letter with the Company for a term of three years commencing from August 16, 2022 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the appointment letter, Mr. Yang is entitled to a director's remuneration of RMB200,000 per annum and a discretionary bonus, which has been determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market condition.

Mr. DING Yi (丁義), aged 60, was appointed as an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee on August 16, 2019. He is primarily responsible for supervising the compliance and corporate governance matters of the Group and providing independent opinions and advice to the Board.

Mr. Ding has been a teacher at South China Normal University (華南師範大學) since July 2001 and has been serving as a teaching professor at the School of Music at the same institution since September 2006. Previously, Mr. Ding was a solo artist of Guangdong Song & Dance Ensemble (廣東歌舞劇院) from September 1989 to September 2001.

Mr. Ding has been a standing committee member of the 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆廣東省委員會) since January 2013.

Mr. Ding has entered into an appointment letter with the Company for a term of three years commencing from August 16, 2022 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the appointment letter, Mr. Ding is entitled to a director's remuneration of RMB200,000 per annum and a discretionary bonus, which has been determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market condition.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 1,200,000,000 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 120,000,000 Shares (calculated based on 10% of the aggregate nominal amount of the issued share capital of the Company) during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the shareholders in a general meeting, either unconditionally or subject to conditions; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or (iii) the date upon which such authority is revoked, varied or renewed by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

REASONS OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

FUND OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Cayman Companies Law and the Listing Rules. The Cayman Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of either the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital (including share premium account and capital redemption reserve) if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business.

IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the consolidated financial position of the Company as at August 31, 2023, being the date of the latest published audited financial statements of the Company) if the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates, has any present intention to sell any Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person (has defined under the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

EFFECT OF THE TAKEOVERS CODE

If as a result of a 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 the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, 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, to the best knowledge and belief of the Directors, Huali Education Holdings Limited held 900,000,000 Shares, representing 75.0% of the issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Huali Education Holdings Limited in the Company will increase to approximately 83.3% of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would result in the total number of issued shares in public hands being less than 25% (or such other minimum percentage as may be prescribed by the Stock Exchange). The Directors do not propose to repurchase Shares which would result in the total number of issued Shares in public hands being less than the prescribed minimum percentage, and are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

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 applicable laws of the Cayman Islands and the Articles of Association.

SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Highest traded prices HK\$	Lowest traded prices HK\$
2022		
November	0.98	0.65
December	1.04	0.67
2023		
January	0.99	0.85
February	0.94	0.84
March	0.90	0.74
April	0.93	0.74
May	0.90	0.75
June	0.89	0.77
July	0.87	0.80
August	0.82	0.66
September	0.73	0.60
October	0.70	0.55
November	0.66	0.52
December (up to the Latest Practicable Date)	0.65	0.58

NOTICE OF ANNUAL GENERAL MEETING

China Vocational Education Holdings Limited
中國職業教育控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code:1756)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of China Vocational Education Holdings Limited (the “Company”) will be held at 6/F, The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC on Friday, January 26, 2024 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Director(s)”) and independent auditor for the year ended August 31, 2023.
2. (a) (i) To re-elect Mr. Zhang Yude as an executive Director;
(ii) To re-elect Mr. Zou Kang as an executive Director;
(iii) To re-elect Mr. Yang Ying as an independent non-executive Director; and
(iv) To re-elect Mr. Ding Yi as an independent non-executive Director.
(b) To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as the independent auditor of the Company and to authorise the Board to fix the auditor’s remuneration.
4. As special business, to consider and, if thought fit, pass (with or without amendments) the following resolutions as ordinary resolutions:
(A) “**THAT:**
(i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares 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 (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:–
 - (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:–
 - (1) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the shareholders in a general meeting, either unconditionally or subject to conditions;
 - (2) 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 any applicable law of the Cayman Islands to be held; or
 - (3) the revocation, variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (b) **“Rights Issue”** means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having

NOTICE OF ANNUAL GENERAL MEETING

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 applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the shareholders in a general meeting, either unconditionally or subject to conditions;
- (b) 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 any applicable law of the Cayman Islands to be held; or
- (c) the revocation, variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice of AGM being passed, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company after the date of the passing of this resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution) shall be added to the aggregate nominal amount of the share capital of the Company that may be issued, allotted or otherwise dealt with, or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution numbered 4(A) set out in the notice of AGM.”

By order of the Board
China Vocational Education Holdings Limited
Zhang Zhifeng
Chairman

Hong Kong, December 20, 2023

Notes:

- (i) All resolutions proposed at the AGM will be voted by poll (except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on both the websites of The Stock Exchange of Hong Kong Limited of www.hkexnews.hk and the Company at www.cveduholdings.com in accordance with the Listing Rules.
- (ii) A shareholder entitled to attend and vote at the AGM is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) A form of proxy for use of the AGM is enclosed with the circular of the Company. In order to be valid, a form of proxy must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarised certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the AGM (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members will be closed from Tuesday, January 23, 2024 to Friday, January 26, 2024, both days inclusive to determine the entitlement of the shareholders to attend the AGM, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investors Service Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, January 22, 2024.
- (vi) With regards to the resolution set out in items 4(A) to 4(C) of the notice of AGM, the Directors wish to state that they have no immediate proposals either to issue or repurchase any securities of the Company. An explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the general mandate to repurchase shares of the Company, as required by the Listing Rules, is set out in Appendix II to the circular of the Company dated December 20, 2023.
- (vii) All times and dates specified herein refer to Hong Kong local times and dates.