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If you have sold or transferred all your shares in Wisdom Education International Holdings Company Limited, you should at once hand this circular, together with the enclosed 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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Wisdom Education International Holdings Company Limited
光正教育國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6068)

(1) MAJOR AND CONNECTED TRANSACTIONS;
(2) PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION;
AND
(3) NOTICE OF EGM

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A notice convening the EGM of Wisdom Education International Holdings Company Limited to be held at The Hong Kong General Chamber of Commerce, 22/F United Centre, Admiralty, Hong Kong on Tuesday, 9 April 2024 at 10:00 a.m. is set out on pages 49 to 51 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.wisdomeducationintl.com>).

Whether or not you are able to attend the EGM, please complete and sign the enclosed 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish.

23 February 2024

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DEFINITIONS

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

“Affected Entities”	Guangdong Guangzheng and its subsidiaries established prior to 31 August 2021
“Articles of Association”	the second amended and restated articles of association of the Company currently in force
“August Announcement”	the announcement of the Company dated 30 August 2023 in relation to, among others, the proposed establishment and operation of a high school in Zhongshan
“Board”	the board of Directors
“Company”	Wisdom Education International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“December Announcement”	the announcement of the Company dated 3 December 2023 in relation to, among others, the Subject Transactions
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting” or “EGM”	an extraordinary general meeting of the Company to be held at The Hong Kong General Chamber of Commerce, 22/F United Centre, Admiralty, Hong Kong on Tuesday, 9 April 2024 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 49 to 51 of this circular, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Guangdong Guangzheng”	Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司), a company beneficially owned as to 62% by Mr. Liu and as to 38% by Ms. Li
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders as to whether the Subject Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole
“Independent Financial Adviser”	South China Capital Limited, a corporation licensed under the SFO to carry on Type 6 (advising on corporate finance) regulated activities, and appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subject Transactions
“Independent Shareholders”	Shareholders who do not have a material interest in the Subject Transactions
“Latest Practicable Date”	21 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Xuebin, an executive Director and a controlling shareholder of the Company
“Ms. Li”	Ms. Li Suwen, an executive Director, the Chairperson of the Board and a controlling shareholder of the Company
“New Articles of Association”	the third amended and restated articles of association proposed to be adopted at the EGM
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Amendments”	the proposed amendments to be made to the Articles of Association as set out in Appendix I to this circular
“Proposed Zhongshan High School”	the high school proposed to be established and operated by Zhongshan Wenrui Education Investment Co., Ltd. (中山市文睿教育投資有限公司), being a subsidiary of the Company by virtue of a contractual arrangement, as disclosed in the August Announcement
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Transactions”	has the meaning ascribed to it on page 4 of this circular
“%”	per cent.

The English translation and/or transliteration of the names of PRC nationals, entities, enterprises, government authorities, departments, facilities, certificates, titles, laws and regulations included in this circular is included for identification purposes only. In the event of any inconsistency between the English translation and/or transliteration and the Chinese versions, the Chinese versions shall prevail.

LETTER FROM THE BOARD



Wisdom Education International Holdings Company Limited
光正教育國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6068)

Executive Directors:

Ms. LI Suwen (*Chairperson and Chief Executive Officer*)

Mr. LIU Xuebin

Mr. LI Jiuchang

Independent Non-executive Directors:

Prof. SUN Kai Lit Cliff, *BBS, J.P.*

Mr. TAM King Ching Kenny

Mr. HUANG Weiguo

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business in

Hong Kong:

8/F Times Media Centre

No. 133 Wan Chai Road

Hong Kong

23 February 2024

*To the Shareholders and, for information only,
holders of other securities of the Company*

Dear Sir/Madam,

**(1) MAJOR AND CONNECTED TRANSACTIONS;
(2) PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION;
AND
(3) NOTICE OF EGM**

(1) MAJOR AND CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the December Announcement. During the course of preparing the Group's annual results for the year ended 31 August 2023, a number of cash advances made by the Group to the Affected Entities have been identified (together, the "**Subject Transactions**").

LETTER FROM THE BOARD

As disclosed in the Company’s annual report for the year ended 31 August 2021, the Affected Entities had been deconsolidated from the Group as of 31 August 2021 (“the **Deconsolidation**”) following the issuance of the Implementation Regulations of the PRC on the Law Regarding the Promotion of Private Education (the “**Implementation Regulations**”). Prior to the effectiveness of the Implementation Regulations on 1 September 2021, the Group used to conduct a substantial portion of its business through a series of contractual arrangements (the “**Previous Contractual Arrangements**”) with the Affected Entities, among other parties. The Previous Contractual Arrangements included, among other things, a loan agreement (the “**Previous Loan Agreement**”) pursuant to which a wholly foreign-owned enterprise in the Group, namely Dongguan Ruixing Commercial Services Co., Ltd. (東莞瑞興商務服務有限公司) (“**Dongguan Ruixing**”), a wholly-owned subsidiary of the Company (or its designated related party), is entitled to provide interest-free loans to Guangdong Guangzheng or its registered shareholders from time to time in accordance with the PRC laws and regulations for operation purposes.

As the Affected Entities were accounted for as wholly-owned subsidiaries of the Company prior to the Deconsolidation, the Subject Transactions, but for the Deconsolidation, would not constitute any transaction of the Company under Chapter 14 or Chapter 14A of the Listing Rules requiring the Company to specifically comply with the applicable requirements under such chapters (other than the requirements applicable to contractual arrangements, which had already been complied with by the Company for the Previous Contractual Arrangements).

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Subject Transactions; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM.

THE SUBJECT TRANSACTIONS

Details of the Subject Transactions are set out as follows:

A. Cash Advances relating to Land Bidding

During the period from March to April 2023, the Group made total cash advances of approximately RMB268,480,000 to Guangdong Guangzheng which represented funds intended as the purchase price for a parcel of land located in Dongguan (plot no. 2023WG002) taking into account the expected valuation at the time (“**Cash Advances relating to Land Bidding**”). The Company intended to participate in the bidding for such land for the purpose of constructing a new high school through Guangdong Guangzheng. At the time, the Company intended that, if Guangdong Guangzheng were successful in bidding for such land, the operation of the new high school to be constructed thereon would be controlled by the Group by way of a contractual arrangement (please refer to the August Announcement in relation to the proposed establishment and operation of a high school in Zhongshan for a similar arrangement with respect to the Zhongshan High School for further details). The bidding process took place in August 2023, but Guangdong Guangzheng ultimately withdrew from the bid following communication with the local government and also taking into account the market landscape at the time. The full amount of such cash advances had been repaid to the Group as of 31 August 2023.

LETTER FROM THE BOARD

B. Cash advances relating to construction costs of the Proposed Zhongshan High School

During the period from March to August 2023, the Company made total cash advances of approximately RMB180,090,000 to Guangdong Guangzheng which represented funds intended for payment of the construction costs of the Proposed Zhongshan High School (“**Cash Advances relating to construction costs of the Proposed Zhongshan High School**”). The Group has obtained control of the entity which owns the land use right of the Proposed Zhongshan High School on 30 August 2023 through a contractual arrangement, as disclosed in the August Announcement. The Company has estimated that the construction costs in the Proposed Zhongshan High School is approximately RMB833 million (the “**Construction Costs**”). The funds advanced by the Group to Guangdong Guangzheng for such purpose will be applied to pay the relevant contractors for the construction of the Proposed Zhongshan High School (which is expected to take place in tranches shortly).

C. Cash advances pursuant to the FY2023 Framework Agreement

The management of the Company has identified a copy of a framework agreement dated 1 September 2022 entered into between the Company and Guangdong Guangzheng (the “**FY2023 Framework Agreement**”), pursuant to which the Group and the Affected Entities shall provide interest-free financial assistance to each other upon request. According to the terms of the FY2023 Framework Agreement: (a) the maximum amount of financial assistance provided by one party to the other shall not exceed RMB1,000 million for the year ended 31 August 2023; (b) the term of each loan advanced under the FY2023 Framework Agreement shall be unsecured, interest free and repayable on demand; and (c) if a party fails to repay on demand, such party shall be liable to pay a penalty. The FY2023 Framework Agreement has a term of one year, commencing on 1 September 2022 until 31 August 2023, which is subject to automatic renewal unless terminated earlier by either party.

LETTER FROM THE BOARD

The following table sets out a summary of the amount of cash flows between the Group and the Affected Entities under the FY2022 Framework Agreement (as defined below) and the FY2023 Framework Agreement, according to the information available to the management of the Company:

Period/Date	Gross cash outflow from the Group during the period <i>RMB'000</i>	Gross cash inflow to the Group during the period <i>RMB'000</i>	Net amount due (to)/ from the Affected Entities under FY2022 and FY2023 Framework Agreement as at the end of the period <i>RMB'000</i>
As at 31 August 2021			0
During September 2021 to August 2022	1,128,714	1,196,131	(67,417)
As at 31 August 2022			(67,417)
			<i>(Note 1, Note 2)</i>
As at 31 August 2022 (Restated)			(67,247)
			<i>(Note 1, Note 2)</i>
During September 2022 to August 2023	603,619	539,097	(2,725)
As at 31 August 2023			(2,725)
During September 2023	230,478	5,435	222,318
During October 2023	2,000	7,380	216,938
During 1-28 November 2023	441	146,534	70,845
As at 28 November 2023			70,845
			<i>(Note 2)</i>

Note 1: The amount represents the net amounts due to the Affected Entities pursuant to the FY2022 Framework Agreement (as defined below).

Note 2: The balance amount included those trade in nature, collection and advance payment on behalf of each other and other items.

D. Cash advances pursuant to the FY2022 Framework Agreement

The management of the Company has noted that there exists a similar framework agreement dated 1 September 2021 entered into between the Company and Guangdong Guangzheng (the “**FY2022 Framework Agreement**”), pursuant to which the Group and the Affected Entities shall provide interest-free financial assistance to each other upon request up to 31 August 2022. Save for the absence of an auto-renewal clause, the terms of the FY2022 Framework Agreement are the same as the FY2023 Framework Agreement.

LETTER FROM THE BOARD

Throughout the year ended 31 August 2022, the Group had a net amount of RMB67.2 million due to the Affected Entities pursuant to the FY2022 Framework Agreement.

Approval by the Board

Mr. Liu, an executive Director and controlling shareholder of the Company, is a beneficial owner of Guangdong Guangzheng and is considered to have material interest in the Subject Transactions. Ms. Li, being an executive Director, a controlling shareholder of the Company and Chairperson of the Board of the Company, has all along been acting in concert with Mr. Liu. Therefore, Mr. Liu and Ms. Li have abstained from voting on the Board resolutions in relation to the approval for the Subject Transactions.

FINANCIAL IMPACT TO THE GROUP

As disclosed on page 2 of the Company's announcement dated 4 January 2022, barring unforeseeable circumstances and assuming all things remain largely equal, at the time the Company expected that the net receivables from the Affected Entities of RMB455.8 million as of 31 August 2021 would be settled within two years from commencement of the Deconsolidation.

Subsequent to 31 August 2021, there have been cash advances between the Group and the Affected Entities (including that the Affected Entities made cash advances to the Group to reduce certain net receivables at the time). The net receivables due from the Affected Entities as of (i) 31 August 2023 was RMB456.3 million (including the prepayment construction costs of RMB180.1 million); and (ii) 28 November 2023 was RMB529.9 million (including the prepayment construction costs of RMB180.1 million). There has not been any cash advance between the Group and the Affected Entities afterwards. Going forward, the Company expects that such net receivables will not increase (and there will be no creation of new receivables due from the Affected Entities), unless the relevant requirements of the Listing Rules are complied with, and such net receivables will be reduced and eventually cleared up by way of utilising such amount by the Affected Entities on the Group's behalf for the construction of the Proposed Zhongshan High School in tranches, as described in the section headed "The Subject Transactions — B. Cash advances relating to construction costs of the Proposed Zhongshan High School" above.

LETTER FROM THE BOARD

As the Construction Costs is expected to be approximately RMB833 million. The Group will advance funds to Guangdong Guangzheng in tranches for such purpose. Guangdong Guangzheng is expected to cover RMB529.9 million of the Construction Costs, which shall offset the amount due from the Affected Entities to the Group (the “**Receivables**”). According to the project engineering budget report for the Proposed Zhongshan High School, 90% of the Construction Costs should be settled by December 2026 and the remaining 10% shall be settled after the Proposed Zhongshan High School commences operations. The Proposed Zhongshan High School will be completed by December 2026 as envisaged according to the following indicative timetable, and the Receivables will be utilised throughout the period of February 2024 to December 2026 and should be fully utilised and offset by December 2026:

		% of the Construction Costs	Payment of the Construction Costs RMB
February 2024	Commencement of construction	20%	166.6 million
August 2024	Completion of phase 1	20%	166.6 million
October 2025	Completion of phase 2	10%	83.4 million
December 2026	Completion of phase 3	40%	333.0 million
After 2026	Filing for completion and operations commenced	10%	83.4 million
		<hr/>	<hr/>
		100%	833.0 million

INFORMATION OF THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is mainly engaged in the provision of school-related supply chain business and comprehensive educational services to its customers in the PRC.

INFORMATION OF GUANGDONG GUANGZHENG

Guangdong Guangzheng is a company beneficially owned as to 62% by Mr. Liu and as to 38% by Ms. Li. Through the Affected Entities, it is principally engaged in the provision of premium primary and secondary education in the PRC.

REASONS FOR THE SUBJECT TRANSACTIONS AND MEASURES TO TAKE

The Company considers that the Subject Transactions and the delay in complying with the requisite requirements under the Listing Rules are due to the Deconsolidation as a result of the Implementation Regulations and the Company being inadvertent in continuing to treat the Subject Transactions as part of the intra-group transactions between wholly-owned subsidiaries of the Company at the time. Taking into account such background, the Directors (including the independent non-executive Directors) are of the view that, at the time, the Subject Transactions were intended to be conducted as part of the ordinary course of business of the Group, are on

LETTER FROM THE BOARD

normal commercial terms and on a fair and reasonable basis, as far as the Independent Shareholders are concerned, and in the interest of the Company and its shareholders as a whole.

The Company has taken the following preliminary remedial measures in respect of the Subject Transactions:

- (a) The Company took steps to terminate the FY2022 Framework Agreement and FY2023 Framework Agreement on 28 November 2023. A substantial amount of RMB146,500,000 had been repaid by Guangdong Guangzheng to the Group during 1 November 2023 to 28 November 2023.
- (b) The Company also formulated a calculation basis with Guangdong Guangzheng for the net amount of interest payable by the Affected Entities to the Group (in respect of the Subject Transactions) for each month since September 2021 until the termination of the FY2023 Framework Agreement on 28 November 2023 (“**Interest Payment**”) based on (i) the net amount due from/to the Affected Entities under the Subject Transactions as at the end of each month; and (ii) the loan prime rate (LPR) published by the People’s Bank of China for such month, ranging from 3.45% to 3.85%. The amount of interest for each month is aggregated up to November 2023, and according to the Company’s calculation, interest amounting to RMB10.5 million is payable by the Affected Entities to the Group. Guangdong Guangzheng has agreed to such calculation, and that such amount will be settled by Guangdong Guangzheng after the resolutions approving the Subject Transactions are passed at the EGM, by no later than 30 June 2024. In respect of the calculation basis of the Interest Payment, the Board believes that:
 - 1) it is fair and reasonable to calculate the Interest Payment based on the month end balance with the Affected Entities given that from a practical point of view, the month end balance is readily verifiable and reconcilable by both parties. Also, the Board considers that any fluctuations during the months are commercially justifiable, not unreasonable in nature and not significant for the purpose of determining a fair and reasonable amount of Interest Payment taken as a whole. Therefore, the Board consider that the month end balance is a reasonable cut-off date for determining the monthly net amount involved in the Subject Transactions; and
 - 2) it is common practice in the PRC to calculate interests based on the LPR for the relevant month.

Both the Board and the Independent Board Committee are of the view that the Interest Payment is fair and reasonable.

As the 2023 Framework Agreement was terminated on 28 November 2023 but the Receivables will only be fully utilised and offset in December 2026, the Company considers the Receivables to be a form of financial assistance from the Company to the Affected Entities during the relevant period. The Company intends to calculate interests during the relevant period based on the (i) net amount due from/to the Affected Entities under the Subject Transactions as at the end of each month; and (ii) the LPR published by the People’s Bank of China for such month (“**Future Interest Payment**”).

LETTER FROM THE BOARD

Going forward, the Company will continue to calculate the interests payable by applying the future monthly LPR to be announced by the People's Bank of China to the balance of the Receivables as at the end of each month, until the Receivables are fully offset. Guangdong Guangzheng has agreed to such calculation and will settle payment in accordance with the terms and repayment timeline set out by the Company after the resolutions approving the Subject Transactions are passed at the EGM.

- (c) A special committee of the Company was established on 29 November 2023 to conduct a review (“**Review**”) of the internal control procedures of the Group. Members of such special committee at establishment consisted of Ms. Li, (an executive Director), all the independent non-executive Directors, the financial controller of the Company, and the team head of the finance operation team at the Dongguan headquarters of the Company.
- (d) The Company will disclose the findings and results of the Review upon its completion by way of an announcement.
- (e) The Board has directed the management of the Company to prepare update reports on the operations of the Group bi-monthly (including an update on the balance of receivables from related parties, if any) and report to the audit committee of the Company. The Company's management team will provide the first update report to the audit committee of the Company in February 2024 and reported that, as of 31 December 2023, the net receivables due from the Affected Entities was RMB485.3 million.

LISTING RULES IMPLICATIONS

Guangdong Guangzheng is a company beneficially owned as to 62% by Mr. Liu, an executive Director and a controlling shareholder of the Company, and as to 38% by Ms. Li, an executive Director, the Chairperson of the Board and a controlling shareholder of the Company.

As the Affected Entities were accounted for as wholly-owned subsidiaries of the Company prior to the Deconsolidation, the Subject Transactions, but for the Deconsolidation, would not constitute any transaction of the Company under Chapter 14 or Chapter 14A of the Listing Rules requiring the Company to specifically comply with the applicable requirements under such chapters (other than the requirements applicable to contractual arrangements, which had already complied with by the Company for the Previous Contractual Arrangements). By virtue of the Deconsolidation, the Company notes that the cash advances by a member of the Group to any of the Affected Entities, whether made pursuant to the Previous Loan Agreement or otherwise, would be subject to the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

In addition, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subject Transactions exceeds 25%, the Subject Transactions constitute a major transaction of the Company and are therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, Mr. Liu is interested in an aggregate of 42.86% of the total issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting on the resolution in relation to the Subject Transactions at the EGM by virtue of his beneficial interest in Guangdong Guangzheng. Ms. Li is interested in an aggregate of 26.33% of the total issued share capital of the Company as at the Latest Practicable Date, shall also abstain from voting on the resolution in relation to the Subject Transactions at the EGM by virtue of her beneficial interest in Guangdong Guangzheng.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for the above, none of the Shareholders is required to abstain from voting on the resolution in relation to the Subject Transactions at the EGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise and give recommendation to the Independent Shareholders on the fairness and reasonableness of the Subject Transactions, and whether the Subject Transactions would be in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions proposed to be put forward to them for approving the Subject Transactions.

South China Capital Limited has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Subject Transactions.

RECOMMENDATION

Having considered the above-mentioned reasons for the Subject Transactions and the advice of the Independent Financial Adviser, the Directors (including the independent non-executive Directors) consider that the Subject Transactions conducted as part of the ordinary course of business of the Group, and the Subject Transactions are on normal commercial terms and on a fair and reasonable basis, as far as the Independent Shareholders are concerned, and in the interests of the Company and its Shareholders as a whole.

Accordingly, the Directors (including the independent non-executive Directors but excluding Mr. Liu and Ms. Li) recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Subject Transactions.

Your attention is drawn to the letter from the Independent Board Committee as set out on page 15 of this circular and the letter from the Independent Financial Adviser as set out on pages 16 to 30 of this circular, which contains, among other matters, its advice to the Independent Shareholders in connection with the Subject Transactions and the principal factors considered by it in arriving at its recommendation.

LETTER FROM THE BOARD

(2) PROPOSED ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

The Company proposes to amend its Articles of Association in order to: (i) bring the Articles of Association up to date and in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect on 31 December 2023; and (ii) incorporate certain housekeeping amendments. The Board will also propose that the New Articles of Association, which contain all the Proposed Amendments as set out in Appendix I to this circular, be adopted to replace the Articles of Association. The Proposed Amendments and adoption of the New Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the EGM. Full particulars of the Proposed Amendments (marked-up against the Articles of Association) are set out in Appendix I to this circular.

The Proposed Amendments are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the Articles of Association is purely a translation only. Should there be any discrepancy, the English version shall prevail.

RECOMMENDATION

The Directors consider that the special resolution to be proposed at the EGM to approve the Proposed Amendments and the New Articles of Association, as set out in this circular and the notice of the EGM, is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant special resolution to be proposed at the EGM.

EGM

A notice convening the EGM to be held at The Hong Kong General Chamber of Commerce, 22/F United Centre, Admiralty, Hong Kong on Tuesday, 9 April 2024 at 10:00 a.m. is set out on pages 49 to 51 of this circular.

At the EGM, (i) an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve the resolutions in relation to the Subject Transactions; and (ii) a special resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the resolutions in relation to the Proposed Amendments and the New Articles of Association.

Shareholders whose names appear on the Company's register of members on Tuesday, 9 April 2024, will be eligible to attend and vote at the EGM. The transfer books and register of members will be closed from Wednesday, 3 April 2024 to Tuesday, 9 April 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on Tuesday, 2 April 2024.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.wisdomeducationintl.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority 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 as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairperson of the EGM, 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. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ADDITIONAL INFORMATION

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

Yours faithfully,

For and on behalf of the Board

Wisdom Education International Holdings Company Limited

LI Suwen

Chairperson

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Wisdom Education International Holdings Company Limited
光正教育國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6068)

23 February 2024

To the Independent Shareholders

Dear Sir/ Madam,

MAJOR AND CONNECTED TRANSACTIONS

This Independent Board Committee has been established to advise you on the terms of the Subject Transactions, details of which are set out in the circular of the Company to the Shareholders dated 23 February 2024 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

Having considered the terms of the Subject Transactions, and the advice of the Independent Financial Adviser in relation thereto as set out on pages 16 to 30 of the Circular, we are of the opinion that the Subject Transactions are conducted as part of the ordinary course of business of the Group, are on normal commercial terms and on a fair and reasonable basis, as far as the Independent Shareholders are concerned, and in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Subject Transactions.

Yours faithfully

For and on behalf of

The Independent Board Committee

Prof. SUN Kai Lit Cliff, BBS, J.P.

Mr. TAM King Ching Kenny

Mr. HUANG Weiguo

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser setting out its opinion regarding the Subject Transactions, which has been prepared for the purpose of inclusion in this circular.



28/F., Bank of China Tower
No. 1 Garden Road,
Central
Hong Kong

23 February 2024

*To the Independent Board Committee and
the Independent Shareholders*

Wisdom Education International Holdings Company Limited

No. 68 Guangming Da Dao
Dongcheng District
Dongguan
Guangdong Province
The PRC

Dear Sirs,

MAJOR AND CONNECTED TRANSACTIONS CASH ADVANCES TO THE AFFECTED ENTITIES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to (i) cash advances intended for the bidding of land (the “**Subject Transaction A**”); (ii) cash advances relating to construction costs of the Proposed Zhongshan High School (the “**Subject Transaction B**”); (iii) cash advances made pursuant to the FY2023 Framework Agreement (the “**Subject Transaction C**”); and (iv) cash advances made pursuant to the FY2022 Framework Agreement (the “**Subject Transaction D**”) (collectively, the “**Subject Transactions**”), details of which are contained in the letter from the Board (the “**Letter from the Board**”) as set out in the circular dated 23 February 2024 (the “**Circular**”). Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those ascribed in the Circular.

Reference is made to the December Announcement in relation to the Subject Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, Guangdong Guangzheng is a company beneficially owned as to (i) 62% by Mr. Liu, an executive Director and a controlling shareholder of the Company; and (ii) 38% by Ms. Li, an executive Director, the Chairperson of the Board and a controlling shareholder of the Company. Accordingly, each of the Affected Entities is a connected person of the Company.

As the Affected Entities were accounted for as wholly-owned subsidiaries of the Company prior to the Deconsolidation, the Subject Transactions, but for the Deconsolidation, would not constitute any transaction of the Company under Chapter 14 or Chapter 14A of the Listing Rules requiring the Company to specifically comply with the applicable requirements under such chapters (other than the requirements applicable to contractual arrangements, which had already complied with by the Company for the Previous Contractual Arrangements). By virtue of the Deconsolidation, the Company notes that the cash advances by a member of the Group to any of the Affected Entities, whether made pursuant to the Previous Loan Agreement or otherwise, would be subject to the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subject Transactions exceeds 25%, the Subject Transactions constitute major transactions of the Company and are therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, as one or more the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subject Transactions exceeds 5%, the Subject Transactions constitute a non-exempted connected transactions for the Company under Chapter 14A of the Listing Rules and are therefore subject to reporting, announcement and independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Prof. Sun Kai Lit Cliff, BBS, J.P., Mr. Tam King Ching Kenny and Mr. Huang Weiguo, has been established to make recommendation to the Independent Shareholders regarding the Subject Transactions.

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether the Subject Transactions are (i) conducted in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; (iii) fair and reasonable so far as the Independent Shareholders are concerned; and (iv) in the interests of the Company and the Shareholders as a whole, and to further give independent advice to the Independent Board Committee and the Independent Shareholders as to whether they should vote in favour of the Subject Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interests in the Company that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this engagement, no arrangements exist whereby we had received any fees or benefits from the Company or any other party to the transaction(s) that could reasonably be regarded as relevant to our independence. During the past two years, we did not have any engagement with the Company or the Directors, chief executive of the Company and substantial Shareholders or any of their associates. Therefore, we consider that we are independent from the Company pursuant to the Listing Rules.

BASIS OF OUR OPINION

In arriving at our recommendation, we have reviewed, among other things, the agreements including the contractual agreement, the 2022 Framework Agreement and the 2023 Framework Agreement, the prospectus of the Company dated 16 January 2017 (the “**Prospectus**”), the Company’s annual reports for each of the three financial year ended 31 August (the “**FY(s)**”) 2021 (the “**2021 Annual Report**”), the FY 2022 and the FY 2023 (the “**2023 Annual Report**”). We have also discussed with the management of the Company (the “**Management**”) regarding the commercial implications of the Subject Transactions. In addition, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the Management. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and the Management for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information which forms a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe that there are no other facts or representations whose omission would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group and the Affected Entities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Subject Transactions, we have taken into consideration the following principal factors and reasons:

1. Background information

1.1 Information of the Group

The Group is mainly engaged in the provision of school-related supply chain business and comprehensive educational services to its customers in the PRC.

Set out below is a summary of the consolidated financial information of the Company for the two FYs 2022 and 2023 as extracted from the 2023 Annual Report:

	For the FY	
	2022	2023
	RMB'000	RMB'000
Revenue	277,587	319,269
Profit for the year	95,095	163,120
	As at 31 August	
	2022	2023
	RMB'000	RMB'000
Non-current assets	395,309	595,220
Current assets	1,079,920	844,318
Current liabilities	(778,390)	(571,604)
Net current assets	301,530	272,714
Non-current liabilities	(245,238)	(255,725)
Net assets	451,601	612,209
Cash and cash equivalents	328,749	242,226

Revenue of the Group amounted to approximately RMB319,269,000 for the FY 2023, which represents an increase of about 15% from approximately RMB277,587,000 for the FY 2022. Such increase was mainly attributable to the increase in total revenue from school-related supply chain business.

The profit for year of the Group increased by about 72% from approximately RMB95,095,000 for the FY 2022 to RMB163,120,000 for the FY 2023. Such increase was mainly attributable to (i) the increase in total revenue of the Group; and (ii) the reversal of expected credit loss for financial guarantee contracts.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 August 2023, the Group's cash and cash equivalents amounted to approximately RMB242,226,000, and the Group recorded net current assets and net assets of approximately RMB272,714,000 and RMB612,209,000, respectively.

1.2 Information of Guangdong Guangzheng

As at the Latest Practicable Date, Guangdong Guangzheng is a company beneficially owned as to 62% by Mr. Liu and as to 38% by Ms. Li. Through the Affected Entities, it is principally engaged in the provision of premium primary and secondary education in the PRC.

2. Reasons for the Subject Transactions

As disclosed in the Letter from the Board, the Company considers that the Subject Transactions and the delay in complying with the requisite requirements under the Listing Rules are due to the Deconsolidation as a result of the Implementation Regulations and the Company being inadvertent in continuing to treat the Subject Transactions as part of the intra-group transactions between wholly-owned subsidiaries of the Company at the time. Taking into account such background, the Directors (including the independent non-executive Directors) are of the view that, at the time, the Subject Transactions were intended to be conducted as part of the ordinary and usual course of business of the Group, are on normal commercial terms and on a fair and reasonable basis as far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

3. The Subject Transactions

3.1 Details of the Subject Transaction A – Cash Advances relating to land bidding

As disclosed in the Letter from the Board, during the period from March to April 2023, the Group made total cash advances of approximately RMB268,480,000 to Guangdong Guangzheng, which represented funds intended as the purchase price for a parcel of land located in Dongguan (plot no. 2023WG002), Guangdong Province, the PRC taking into account the expected valuation at the time. The Company intended to participate in the bidding for such land for the purpose of constructing a new high school through Guangdong Guangzheng. At that time, the Company intended that, if Guangdong Guangzheng were successful in bidding for such land, the operation of the new high school to be constructed thereon would be controlled by the Group by way of a contractual arrangement (please refer to the August Announcement in relation to the proposed establishment and operation of a high school in Zhongshan, Guangdong Province, the PRC for a similar arrangement with respect to the Zhongshan High School for further details). The bidding process took place in August 2023, but Guangdong Guangzheng ultimately withdrew from the bid following communication with the local government and also taking into account the market landscape at that time. The full amount of such cash advances had been repaid to the Group as of 31 August 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our view

As part of our due diligence, we have reviewed the feasibility study report prepared by the Company regarding the evaluation of the new high school in Dongguan, Guangdong Province, the PRC.

Based on our discussion with the Management, we understand that (1) the location of the new high school to be constructed was prime and as disclosed in the Prospectus, focusing on Guangdong Province, the PRC was one of the Group's major development strategies; (2) the market size of the education industry and population in that area was favourable; and (3) the cost and return of the project was reasonable, we consider that the commercial rationale behind and reasons for entering into the Subject Transaction A were commercial justifiable, fair and reasonable.

Based on the above, we consider that despite the Subject Transaction A is capital expenditure in nature, but which shall be regarded as falling within the ordinary and usual course of business of the Group for its long term business development and on normal commercial terms, the rationale and substance of the Subject Transaction A are considered to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

3.2 Details of Subject Transaction B – Cash Advances relating to construction costs of the Proposed Zhongshan High School

As disclosed in the Letter from the Board, during the period from March to August 2023, the Company made total cash advances of approximately RMB180,090,000 to Guangdong Guangzheng, which represented funds intended for payment of the construction costs of the Proposed Zhongshan High School. The Group has obtained control of the entity which owns the land use right of the Proposed Zhongshan High School on 30 August 2023 through a contractual arrangement, as disclosed in the August Announcement. The Company has estimated that the construction costs in the Proposed Zhongshan High School is approximately RMB833 million (the “**Construction Costs**”). The funds advanced by the Group to Guangdong Guangzheng for such purpose will be applied to pay the relevant contractors for the construction of the Proposed Zhongshan High School (which is expected to take place in tranches shortly).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our view

As part of our due diligence, we have reviewed the cost budget report for the construction project prepared by a consultancy firm regarding the evaluation of the Proposed Zhongshan High School.

Based on our discussion with the Management, we understand that (1) the location of the new high school to be constructed was prime and as disclosed in the Prospectus, focusing on Guangdong Province, the PRC was one of the Group's major development strategies; (2) the market size of the education industry and population in that area was favourable; and (3) the cost and return of the project was feasible, we consider that the commercial rationale behind and reasons for entering into the Subject Transaction B were commercially justifiable, fair and reasonable.

Based on the above, we consider that despite the Subject Transaction B is capital expenditure in nature, but which shall be regarded as falling within the ordinary and usual course of business of the Group for its long-term business development and on normal commercial terms, the rationale and substance of the Subject Transaction B are considered to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

3.3 Details of Subject Transaction C – Cash advances pursuant to the FY2023 Framework Agreement

As disclosed in the Letter from the Board, the Management has identified a copy of a framework agreement dated 1 September 2022 entered into between the Company and Guangdong Guangzheng, pursuant to which the Group and the Affected Entities shall provide interest-free financial assistance to each other upon request. According to the terms of the FY2023 Framework Agreement: (a) the maximum amount of financial assistance provided by one party to the other shall not exceed RMB1,000 million for the FY 2023; (b) the term of each loan advanced under the FY2023 Framework Agreement shall be unsecured, interest free and repayable on demand; and (c) if a party fails to repay on demand, such party shall be liable to pay a penalty. The FY2023 Framework Agreement has a term of one year, commencing on 1 September 2022 until 31 August 2023, which is subject to automatic renewal unless terminated earlier by either party.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following table sets out a summary of the amount of cash flows between the Group and the Affected Entities under the FY2022 Framework Agreement and the FY2023 Framework Agreement, according to the information available to the Management:

Period/ Date	Gross cash outflow from the Group during the period <i>RMB'000</i>	Gross cash inflow to the Group during the period <i>RMB'000</i>	Net amount due (to)/ from the Affected Entities under the FY2022 Framework Agreement and the FY2023 Framework Agreement as at the end of the period <i>RMB'000</i>
As at 31 August 2021			–
During September 2021 to August 2022	1,128,714	1,196,131	(67,417)
As at 31 August 2022			(67,417)
			<i>(Notes 1 and 2)</i>
As at 31 August 2022 (Restated)			(67,247)
			<i>(Notes 1 and 2)</i>
During September 2022 to August 2023	603,619	539,097	(2,725)
As at 31 August 2023			(2,725)
During September 2023	230,478	5,435	222,318
During October 2023	2,000	7,380	216,938
During 1 to 28 November 2023	441	146,534	70,845
As at 28 November 2023			70,845
			<i>(Note 2)</i>

Notes:

1. The amount represents the net amounts due to the Affected Entities pursuant to the FY2022 Framework Agreement
2. The balance amount included those trades in nature, collection and advance payment on behalf of each other and other items.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our view

As disclosed in the Prospectus and the 2021 Annual Report, prior to the Deconsolidation, the Affected Entities were 100% controlled by the Company through the Previous Contractual Arrangements and the Affected Entities were the subsidiaries of the Company, therefore the Subject Transaction C was treated as part of the Group's ordinary and usual intra-group transactions for its operation and such transactions (i.e. the financial assistance within the Group and the Affected Entities) were part of normal treasury management within the Group. In addition, it is common market practice for better and more effective utilization of cash resources among the intra-group current accounts of group companies without bearing interest.

As discussed with the Management, pursuant to the terms of the FY2023 Framework Agreement, the Group and the Affected Entities shall provide interest-free financial assistance to each other upon request, the Management considered that the Group could obtain interest-free financial assistance from the Affected Entities based on its liquidity needs, thus the Management considered that the Group could benefit from such financial assistance.

Based on the above, we understand that (i) the Subject Transaction C was treated as part of the Group's ordinary and usual intra-group transactions prior to the Deconsolidation; and (ii) the Group's revenue from school-related supply chain business are mainly generated from customers through the schools operated by the Affected Entities, as such, we consider the rationale and substance of the Subject Transaction C are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Based on the above observation and analyses, we consider that the Subject Transaction C is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, the rationale and substance of the Subject Transaction C are considered to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

3.4 Details of Subject Transaction D – Cash advances pursuant to the FY2022 Framework Agreement

As disclosed in the Letter from the Board, the Management has noted that there existed a similar framework agreement dated 1 September 2021 entered into between the Company and Guangdong Guangzheng, pursuant to which the Group and the Affected Entities shall provide interest-free financial assistance to each other upon request up to 31 August 2022. Save for the absence of an auto-renewal clause, the terms of the FY2022 Framework Agreement are the same as those of the FY2023 Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Throughout the FY 2022, the Group had a net amount of approximately RMB67.2 million due to the Affected Entities pursuant to the FY2022 Framework Agreement.

Our view

As disclosed in the Prospectus and the 2021 Annual Report, prior to the Deconsolidation, the Affected Entities were 100% controlled by the Company through the Previous Contractual Arrangements and the Affected Entities were the subsidiaries of the Company, therefore the Subject Transaction D was treated as part of the Group's ordinary and usual intra-group transactions for its operation and such transactions (i.e. the financial assistance within the Group and the Affected Entities) were part of normal treasury management within the Group. In addition, it is common market practice for better and more effective utilization of cash resources among the intra-group current accounts of group companies without bearing interest.

As discussed with the Management, pursuant to the terms of the FY2022 Framework Agreement, the Group and the Affected Entities shall provide interest-free financial assistance to each other upon request, the Management considered that the Group could obtain interest-free financial assistance from the Affected Entities based on its liquidity needs, thus the Management considered that the Group could benefit from such financial assistance.

Based on the above, we understand that (i) the Subject Transaction D was treated as part of the intra-group transactions prior to the Deconsolidation; and (ii) the Group's revenue from school-related supply chain business are mainly generated from customers through the schools operated by the Affected Entities, as such, we consider the rationale and substance of the Subject Transaction D are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Based on the above observation and analyses, we consider that the Subject Transaction D is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, the rationale and substance of the Subject Transaction D are considered to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

4. *Financial impact on the Group*

As disclosed on page 2 of the Company's announcement dated 4 January 2022, barring unforeseeable circumstances and assuming all things remain largely equal, at the time the Company expected that the net receivables from the Affected Entities of approximately RMB455.8 million as of 31 August 2021 would be settled within two years from commencement of the Deconsolidation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subsequent to 31 August 2021, there have been cash advances between the Group and the Affected Entities (including that the Affected Entities made cash advances to the Group to reduce certain net receivables at the time). The net receivables due from the Affected Entities were approximately (i) RMB456.3 million (including the prepayment construction costs of approximately RMB180.1 million) as of 31 August 2023; and (ii) RMB529.9 million (including the prepayment construction costs of approximately RMB180.1 million) as of 28 November 2023. As advised by the Management, there has not been any cash advance between the Group and the Affected Entities afterwards. As disclosed in the Letter from the Board, the Company expects that such net receivables will not increase (and there will be no creation of new receivables due from the Affected Entities), unless the relevant requirements of the Listing Rules are complied with, and such net receivables will be reduced and eventually cleared up by way of utilising such amount by the Affected Entities on the Group's behalf for the construction of the Proposed Zhongshan High School in tranches.

As the Construction Costs of the Proposed Zhongshan High School is estimated to be approximately RMB833.0 million, The Group will advance funds to Guangdong Guangzheng in tranches for such purpose. Guangdong Guangzheng is expected to cover approximately RMB529.9 million of the Construction Costs, which shall offset the amount due from the Affected Entities to the Group (the “**Receivables**”). According to the project engineering budget report for the Proposed Zhongshan High School, 90% of the Construction Costs should be settled by December 2026 and the remaining 10% shall be settled after the Proposed Zhongshan High School commences operations. As a result, the Company expects that (i) the trade receivables, deposits, prepayments and other receivables of the Group would decrease by approximately RMB558.0 million; (ii) the trade and other payables and accrued expenses of the Group would decrease by approximately RMB28.1 million; and (iii) the construction in progress of the Group in relation to the Proposed Zhongshan High School would increase by approximately RMB529.9 million as a result of the Subject Transactions. The Proposed Zhongshan High School will be completed by December 2026 as envisaged according to the following indicative timetable, and the Receivables will be utilised throughout the period from February 2024 to December 2026 and should be fully utilised and offset by December 2026:

		% of the Construction Costs	Payment of the Construction Costs <i>RMB</i>
February 2024	Commencement of construction	20%	166.6 million
August 2024	Completion of phase 1	20%	166.6 million
October 2025	Completion of phase 2	10%	83.4 million
December 2026	Completion of phase 3	40%	333.0 million
After 2026	Filing for completion and operations commenced	10%	83.4 million
		100%	833.0 million

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Letter from the Board, the Company formulated a calculation basis with Guangdong Guangzheng for the Interest Payment based on (i) the net amount due from/to the Affected Entities under the Subject Transactions as at the end of each month; and (ii) the loan prime rate (the “LPR”) published by the People’s Bank of China (the “PBOC”) for such month. The amount of interest for each month is aggregated up to November 2023, and according to the Company’s calculation, interest amounting to approximately RMB10.5 million is payable by the Affected Entities to the Group. The earnings of the Group would correspondingly increase by approximately RMB10.5 million as a result of the Interest Payment to be received from the Affected Entities.

Based on our review of the Group’s historical payment modes and calculations, the calculation of Interest Payment based on the net amount due from/ to the Affected Entities under Subject Transactions as at the end of each month was more favourable to the Company as compared to the same based on the date of drawdown/ repayment under the Subject Transactions. As such, we consider the basis of the above calculation is more favourable to the Company, and therefore in the interests of the Group and the Shareholders as a whole.

Based on our independent research from the public website, we have identified at least two companies, which (1) are currently listed on the Main Board of the Stock Exchange; (2) provided financial assistance to its respective connected person in the last twelve months prior to the date of the December Announcement; (3) used the LPR as their reference rates for the calculations of the interest payments in respect thereof, we are of the view that using the LPR as the reference rate for the calculations of the Interest Payment for our present case is not uncommon in the PRC’s financial market. In addition, we noted that the LPR used for the calculations of the Interest Payment was equivalent to the then prevailing LPR published by the PBOC and understand that the LPR, which was introduced in August 2019, is calculated by the National Interbank Funding Center and is the most preferential lending rate published by the PBOC. The LPR serves as (i) the pricing reference for bank lending; (ii) the lending rate provided by commercial banks to their prime clients; and (iii) the benchmark for rates provided for other loans. As such, we consider that the calculations of Interest Payment based on the LPR are generally adopted in the PRC’s financial market, and therefore fair and reasonable between the Company and the Affected Entities.

Based on our independent review of the 2023 Annual Report, (i) the Group’s cost of funding were ranging from 2.5% to 3.7% whilst the LPR during the period were ranging from 3.45% to 3.65%; and (ii) the Group has been operating profitably and has strong capability to generate meaningful operating cash inflow to finance its daily operation over the past two years, and had cash and cash equivalents of approximately RMB242,226,000 as at 31 August 2023, on such basis, we consider that the Subject Transactions would not deteriorate or be detrimental to the Group’s financial and liquidity positions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. *Remedial measures*

The Company has taken the following preliminary remedial measures in respect of the Subject Transactions:

- (a) The Company took steps to terminate the FY2022 Framework Agreement and the FY2023 Framework Agreement on 28 November 2023. A substantial amount of RMB146,500,000 had been repaid by Guangdong Guangzheng to the Group during 1 November 2023 to 28 November 2023.
- (b) The Company also formulated a calculation basis with Guangdong Guangzheng for the net amount of interest payable by the Affected Entities to the Group (in respect of the Subject Transactions) for each month since September 2021 until the termination of the FY2023 Framework Agreement on 28 November 2023 (the “**Interest Payment**”) based on (i) the net amount due from/to the Affected Entities under the Subject Transactions as at the end of each month; and (ii) the LPR published by the PBOC for such month, ranging from 3.45% to 3.85%. The amount of interest for each month is aggregated up to November 2023, and according to the Company’s calculation, interest amounting to approximately RMB10.5 million is payable by the Affected Entities to the Group. Guangdong Guangzheng has agreed to such calculation and such amount will be settled by Guangdong Guangzheng after the resolutions approving the Subject Transactions are passed at the EGM, by no later than 30 June 2024. In respect of the calculation basis of the Interest Payment, the Board believes that:
 - (1) it is fair and reasonable to calculate the Interest Payment based on the month end balance with the Affected Entities given that from a practical point of view, the month end balance is readily verifiable and reconcilable by both parties. Also, the Board considers that any fluctuations during the months are commercially justifiable, not unreasonable in nature and not significant for the purpose of determining a fair and reasonable amount of Interest Payment taken as a whole. Therefore the Board consider that the month end balance is a reasonable cut-off date for determining the monthly net amount involved in the Subject Transactions; and
 - (2) it is common practice in the PRC to calculate interests bases on the LPR for the relevant month.

Both the Board and the Independent Board Committee are of the view that the Interest Payment is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the 2023 Framework Agreement was terminated on 28 November 2023 but the Receivables will only be fully utilised and offset in December 2026, the Company considers the Receivables to be a form of financial assistance from the Company to the Affected Entities during the relevant period. The Company intends to calculate interests during the relevant period based on the (i) net amount due from/to the Affected Entities under the Subject Transactions as at the end of each month; and (ii) the LPR published by the PBOC for such month (the “**Future Interest Payment**”).

Going forward, the Company will continue to calculate the interests payable by applying the future monthly LPR to be announced by the PBOC to the balance of the Receivables as at the end of each month, until the Receivables are fully offset. Guangdong Guangzheng has agreed to such calculation and will settle payment in accordance with the terms and repayment timeline set out by the Company after the resolutions approving the Subject Transactions are passed at the EGM.

- (c) A special committee of the Company was established on 29 November 2023 to conduct a review (“**Review**”) of the internal control procedures of the Group. Members of such special committee at establishment consisted of Ms. Li, (an executive Director), all the three independent non-executive Directors, the financial controller of the Company, and the team head of the finance operation team at the Dongguan head-quarter of the Company.
- (d) The Company will disclose the findings and results of the Review upon its completion by way of an announcement.
- (e) The Board has directed the Management to prepare update reports on the operations of the Group bi-monthly (including an update on the balance of receivables from related parties, if any), and report to the audit committee of the Company. The Company’s management team provided the first update report to the audit committee of the Company in February 2024 and reported that, as of 31 December 2023, the net receivables due from the Affected Entities was approximately RMB485.3 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the Management on the abovementioned measures. Considering the Subject Transactions and the delay in complying with the requisite requirements under the Listing Rules are due to the Deconsolidation as a result of the Implementation Regulations and the Company being inadvertent in continuing to treat the Subject Transactions as part of the intra-group transactions between wholly-owned subsidiaries of the Company at that time. The Management believes that the abovementioned measures are adequate and sufficient to prevent any incidents of similar nature from happening again, and we concur with the Management's views in this regard.

RECOMMENDATION

Having taken into account the principal factors and reasons as referred to the above, we are of the view that the Subject Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM to approve the Subject Transactions.

Yours faithfully,
For and on behalf of
South China Capital Limited

Nicholas Cheng
Managing Director

Felix Leung
Associate Director

Note: Mr. Nicholas Cheng and Mr. Felix Leung are licensed persons registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Mr. Nicholas Cheng has extensive experience in corporate finance industry and has participated in, and completed, the provision of independent financial advisory services for numerous connected transactions involving listed companies in Hong Kong. Mr. Felix Leung has over ten years of experience in corporate finance industry.

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The following are the Proposed Amendments. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Articles of Association. If the serial numbering of the Articles of Association is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the New Articles of Association as so amended shall be changed accordingly, including cross-references.

Article no	Provisions of the Articles of Association	Proposed Amendments to the Articles of Association
2(1) Definition of “Act”	the Companies Act; (2022 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.	The definition of “Act” is proposed to be amended as: the Companies Act (<u>Revised</u>), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
73(2)	All Members have shall the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.	Article 73(2) is proposed to be amended as: All Members shall <u>have</u> the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.
83(6)	A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution the Members at the meeting at which such Director is removed.	Article 83(6) is proposed to be amended as: A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution <u>of</u> the Members at the meeting at which such Director is removed.

Article no	Provisions of the Articles of Association	Proposed Amendments to the Articles of Association
150	<p>Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.</p>	<p>Article 150 is proposed to be amended as:</p> <p>Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.</p>

Article no	Provisions of the Articles of Association	Proposed Amendments to the Articles of Association
151	<p>The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.</p>	<p>Article 151 is proposed to be amended as:</p> <p>The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication).</p>

Article no	Provisions of the Articles of Association	Proposed Amendments to the Articles of Association
158	<p>Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p>	<p>Article 158 is proposed to be amended as:</p> <p>Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p>

Article no	Provisions of the Articles of Association	Proposed Amendments to the Articles of Association
159(b)	if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;	Article 159(b) is proposed to be amended as: if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice, <u>document or publication</u> placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day <u>it first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules;</u>
159(c)	if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and	Article 159(c) is proposed to be amended as: if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof;
159(d)	–	The following is proposed to be inserted as Article 159(d): <u>if published as an advertisement in a newspaper or other publication permitted; and</u>
159(e)	may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.	Article 159(d) in the Articles of Association is proposed to be re-numbered as Article 159(e). The content remains unchanged.

1. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 August 2023 are set out from pages 65 to 160 in the Annual Report 2023 of the Company, which was published on 28 December 2023. Please see below a link to the Annual Report 2023 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1228/2023122800514.pdf>

The audited consolidated financial statements of the Group for the year ended 31 August 2022 are set out from pages 56 to 152 in the Annual Report 2022 of the Company, which was published on 29 December 2022. Please see below a link to the Annual Report 2022 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1229/2022122900877.pdf>

The audited consolidated financial statements of the Group for the year ended 31 August 2021 are set out from pages 71 to 188 in the Annual Report 2021 of the Company, which was published on 11 January 2022. Please see below a link to the Annual Report 2021 posted on the website of the Stock Exchange:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0111/2022011100458.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 31 December 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group comprises the following:

Borrowings

The following is a summary of the borrowings of the Group as at the close of business on 31 December 2023:

	As at 31 December 2023 RMB'000
Secured bank borrowings	289,302,000
Total	289,302,000

As at the close of business on 31 December 2023, the Group's bank borrowing of RMB289,302,000 were secured by (1) pledged bank deposits; (2) properties of Guangdong Guangzheng, is a company beneficially owned as to 62% by Mr. Liu, an executive director of the Company, and as to 38% by Ms. Li, the chairperson of the board and an executive director of the Company; and (3) investment in unlisted private funds that is recognised as financial assets at fair value through profit or loss. Certain borrowings are also guaranteed by the Company, Dongguan Ruixing Business Services Co., Ltd. (東莞瑞興商務服務有限公司) (“**Dongguan Ruixing**”), a wholly-owned subsidiary of the Company, Guangdong Guangzheng, and Mr. Liu at no cost. The guarantee amounts provided by the related parties at 31 December 2023 are as follows:

Name of related parties	As at 31 December 2023 <i>RMB'000</i>
Mr. Liu	27,186,000
Guangdong Guangzheng	9,500,000
	<hr/>
Total	36,686,000
	<hr/> <hr/>

Amounts due to Affected Entities

As at 31 December 2023, the Group had unsecured amounts due to Affected Entities of approximately RMB82,412,000 which are interest-free and repayable on demand.

Lease liabilities

As at 31 December 2023, the Group had lease liability of approximately RMB1,175,000.

Financial guarantee contracts

As at 31 December 2023, the Group had the financial guarantee contracts provided to Affected Entities of approximately RMB224,668,000. As at 31 December 2023, the aggregate amount of outstanding financial guarantee issued to banks in respect of banking facilities granted to Affected Entities that the Group could be required to pay upon amounted to RMB4,300,777,000 if the guarantees were called upon in entirety, RMB2,876,547,000 of the outstanding financial guarantees had been utilised by the Affected Entities.

Contingent Liabilities

Save for the financial guarantee provided to Affected Entities as disclosed above, as at 31 December 2023, the Group had no material contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, as at the close of business on 31 December 2023, the Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued, and other term loans, other borrowings or indebtedness in the nature of borrowing including liabilities under acceptance credits, bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

3. STATEMENT OF SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that after taking into account the effects of the Subject Transactions, and the financial resources available to the Group including the internally generated funds and the present facilities, the working capital available to the Group is sufficient for its requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is mainly engaged in the provision of school-related supply chain business and comprehensive educational services to its customers in the PRC.

On 14 May 2021, the General Office of the State Council of the People's Republic of China announced the issuance of the Implementation Regulations, which became effective on 1 September 2021. Among other things, the Implementation Regulations prohibit social organisations and individuals from controlling a private school that provides compulsory education by means of merger, acquisition, contractual arrangements and a private school providing compulsory education is prohibited from conducting transactions with its related parties. Compulsory education in this context means the nine years of curriculum education mandated by the PRC, consisting of six years of primary education and three years of secondary education.

Dongguan Ruixing, a wholly-owned subsidiary of the Company, had entered into the Previous Contractual Arrangements with Affected Entities established prior to 31 August 2021 and their respective equity holders, which enabled Dongguan Ruixing and the Group to have control over the Affected Entities to conduct full spectrum private fundamental education, including primary, middle and high schools and ancillary services to students in the PRC prior to the effective date of the Implementation Regulations. However, as a result of the effect of the Implementation Regulations, the Dongguan Ruixing and the Group ceased its control over these Affected Entities by the end of 31 August 2021. Please refer to Annual Report 2021 for details.

On 21 December 2021, Zhongshan Wenrui Education Investment Co., Ltd. (中山市文睿教育投資有限公司) (“**Zhongshan Wenrui**”), an investment company established in the PRC by Guangdong Guangzheng, intends to establish and operate the Proposed Zhongshan High School.

On 29 December 2021, Guangdong Guangzheng, Zhongshan Wenrui and Zhongshan Natural Resources Bureau entered into a land use rights transfer agreement and a supplementary agreement (the “**Land Agreements**”) to obtain the educational land use right for a parcel of land with a total site area of approximately 98,092 square metres at a consideration of approximately RMB103 million (the “**Site**”). Pursuant to the Land Agreements, except for the construction of Proposed Zhongshan High School, Zhongshan Wenrui has an obligation to construct a kindergarten (the “**Proposed Zhongshan Kindergarten**”) as a planning condition to the educational land use rights for the Site. As at the date of this circular, the construction of Proposed Zhongshan High School and Proposed Zhongshan Kindergarten was commenced in February 2024.

On 30 August 2023, Dongguan Ruixing had entered into contractual arrangements (the “**Zhongshan Contractual Agreements**”) with Guangdong Guangzheng and Zhongshan Wenrui, which enabled Dongguan Ruixing and the Group to have control over Zhongshan Wenrui though the Company did not have any equity interest in Zhongshan Wenrui.

Pursuant to the Zhongshan Contractual Arrangements, the Company has obtained power over Zhongshan Wenrui, the rights to variable returns from its involvement with Zhongshan Wenrui, and the ability to affect those returns through its power over Zhongshan Wenrui. Therefore, the Company considers that it has obtained control over Zhongshan Wenrui and hence regards Zhongshan Wenrui as an indirect subsidiary. The Group will consolidate the entire financial position and results of Zhongshan Wenrui and its subsidiaries (if any) in the consolidated financial statements of the Group going forward. For details of the Zhongshan Contractual Arrangements, please refer to the Company’s announcement dated 30 August 2023.

The Group is engaged in the following three business lines and will continue to expand its business according to the same strategy:

(1) Comprehensive Educational Services for All-rounded Development of Students

The Group has developed a comprehensive and mature system providing high-quality, tailor-made and enriching non-curriculum activities for students and established long-term strategic partnership with certain third party after-school tutoring institutions, which has achieved remarkable results. The Group’s total solution services aim to provide full cycle management services of a variety of after-school enrichment activities. Services include but are not limited to the design of the course and implementation plan, execution and technical assurance, post-activity review and assessment, in cooperation with third party after-school tutoring institutions.

(2) School-related Supply Chain Business

The Group sells daily necessities, e.g. stationery products, and other educational materials, etc. Leveraging on the years of experience in the supply chain management, the Group plans to expand its product offerings to meet the demands of customers of different ages. The Company’s wholly-owned subsidiaries incorporated in Qingyuan city, PRC have commenced this business in the second half of the year ended 31 August 2022.

The Group's strategy is to build up a supply chain network of trustworthy suppliers that is able to provide high-quality school-related products at the best price. To focus the Group's resources on achieving this, the Group shifted its business model for sales of certain products from retail, i.e. sales to each individual customer, to wholesale, i.e. bulk sales to certain third party business partners that have the advantage in national logistics network and product distribution ability, which will be responsible for distributing the products purchased from the Group to customers of different schools in the PRC. The Group's strategy is starting to pay off and has seen a stable growth of revenue from the supply chain business during the year ended 31 August 2023.

(3) Spin-off the High-school Portion as a Separate School Entity

The Company, along with its PRC legal advisers as well as relevant local government authorities, have been actively exploring the feasibility of spinning-off the high school portion from the schools under the Affected Entities. The current ultimate equity holders of the Affected Entities intend to establish a new entity to become the investment holding company of the spun-off high school entity, and the Company could resume its control over such high school entity via contractual arrangements with the new investment holding company, subject to compliance with the applicable laws and regulations.

As stipulated in Article No. 53 of the Law of the PRC for Promoting Private Education (amended on 29 December 2018) (中華人民共和國民辦教育促進法(2018年12月29日修正)), "the spin-off or merger of private schools, should be after the financial liquidation, submitted by the council or the board of the school to the relevant government authorities for approval." The Company and its PRC legal advisers are currently engaged in discussions with several accounting firms and seeking guidance from relevant local authorities regarding the financial liquidation audit for the purpose of spin-off of the high school portion.

In the future, the Group will strive to build up a school-related supply chain platform and become a one-stop comprehensive educational services provider, with the aim to promote all-rounded development to its customers.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that, save for the following, there have been no material adverse changes in the financial or trading position or outlook of the Group since 31 August 2023, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

(1) the Subject Transactions as set out in this circular;

(2) on 29 November 2023, the Company, as the vendor ("**Vendor**"), and Marvel Bonus Holdings Limited, as the purchaser ("**Purchaser**"), entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Company agreed to dispose of 117,000 Class A Participating Shares ("**Sale Shares**") in GLAM-HKCFC MBS FUND (the "**Fund**"), a regulated mutual fund under the Cayman Islands Mutual Fund Act, to the Purchaser, for a consideration of HK\$120 million (the "**Disposal**").

The consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account (i) the amount of the original subscription price of the Sale Shares and (ii) the net asset value of the Sale Shares being HK\$118.1 million as of 31 August 2023. Upon completion of the Disposal, the Company ceased to hold any interest in the Fund.

The Company estimates that the Group will record an unaudited gain on the Disposal of approximately HK\$1.9 million (calculated by reference to the difference between the unaudited net carrying amount of HK\$118.1 million in the accounts of the Group as at 31 August 2023 and the disposal price of HK\$120 million of the Sale Shares). The financial impact disclosed above is for illustrative purposes only and is dependent on the financial information of the Fund as at the date of completion.

For further information on the sale of Sale Shares, please refer to the announcement of the Company published on the website of the Stock Exchange on 29 November 2023; and

(3) on 4 January 2024, the Vendor and the Purchaser, entered into a termination agreement pursuant to the terms of the Sale and Purchase Agreement to terminate the Sale and Purchase Agreement with immediate effect (the “**Termination Agreement**”).

As a result of the Termination Agreement, the Disposal will not proceed.

6. FINANCIAL EFFECTS OF THE SUBJECT TRANSACTIONS

Assets and liabilities of the Group

As disclosed on pages 8 to 9 of this circular, in the section headed “Financial Impact to the Group”, the net receivables due from the Affected Entities of RMB529.9 million as at 28 November 2023 will be reduced and eventually cleared up by way of utilising such amount by the Affected Entities on the Group's behalf for the construction of the Proposed Zhongshan High School in tranches, the Company expects that (i) the trade receivables, deposits, prepayments and other receivables of the Group would decrease by RMB558 million; (ii) the trade and other payables and accrued expenses of the Group would decrease by RMB28.1 million; and (iii) the construction in progress of the Group in relation to the Proposed Zhongshan High School would increase by RMB529.9 million as a result of the Subject Transactions.

Earnings of the Group

As disclosed on pages 9 to 11 of this circular, in the section headed “Reasons for the Subject Transactions and Measures to take”, the Company formulated a calculation basis with Guangdong Guangzheng for the Interest Payment based on (i) the net amount due from/to the Affected Entities under the Subject Transactions as at the end of each month; and (ii) the loan prime rate (LPR) published by the People’s Bank of China for such month. The amount of interest for each month is aggregated up to November 2023, and according to the Company’s calculation, interest amounting to RMB10.5 million is payable by the Affected Entities to the Group. The earnings of the Group would increase by RMB10.5 million as a result of the Interest Payment received from the Affected Entities.

1. 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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

Directors' and chief executive's interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company or any of their associates in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares and/or the underlying Shares of the Company

Name of Director/chief executive	Capacity	Interest in Shares	Interest in underlying Shares	Total interest in Shares and underlying Shares	Approximate percentage of shareholding
Mr. Liu (Note 1,2,4)	Interest of controlled corporation	930,000,000	–	930,000,000	42.70%
	Beneficial interest	3,498,000	–	3,498,000	0.16%
Ms. Li (Note 3,4)	Interest of controlled corporation	570,000,000	–	570,000,000	26.17%
	Beneficial interest	3,498,000	–	3,498,000	0.16%
Mr. Li Jiuchang (Note 5)	Beneficial interest	600,000	–	600,000	0.03%

Notes:

- (1) Mr. Liu and Ms. Li are co-founders of the Group and are parties acting in concert with each other.
- (2) Mr. Liu holds the entire issued capital of Bright Education (Holdings) Co. Limited (“**Bright Education Holdings**”), a company incorporated in the British Virgins Islands, and is therefore deemed to be interested in 930,000,000 Shares held by Bright Education Holdings.

- (3) Ms. Li holds the entire issued capital of Bright Education Investment Co. Limited (“**Bright Education Investment**”), a company incorporated in the British Virgins Islands, and is therefore deemed to be interested in 570,000,000 Shares held by Bright Education Investment.
- (4) Mr. Liu is director of Bright Education Holdings and Ms. Li is director of Bright Education Investment.
- (5) Mr. Li Jiuchang, executive Director of the Company, was granted not more than 1,500,000 Shares under the share award scheme of the Company as adopted on 7 June 2017 subject to vesting conditions.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company nor their respective associates had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as being known to the Directors or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) had or were deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long Positions		Total interest	Approximate
Name of Shareholder	Capacity	in Shares and	percentage of
		underlying	interest in
		Shares	the Company
Bright Education Holdings (Note 1)	Beneficial interest	930,000,000	42.70%
Bright Education Investment (Note 2)	Beneficial interest	570,000,000	26.17%

Notes:

- (1) Bright Education Holdings is wholly-owned by Mr. Liu and has a direct beneficial interest of 42.70% in the Company.
- (2) Bright Education Investment is wholly-owned by Ms. Li and has a direct beneficial interest of 26.17% in the Company.

Save as disclosed above, as at the Latest Practicable Date, no other person or corporation, other than the Directors or the chief executive of the Company, had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into any existing or proposed service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, nor their respective associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder).

6. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 August 2023, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

As each of Mr. Liu and Ms. Li is a beneficial owner of Guangdong Guangzheng, each of them has a material interest in the Subject Transactions.

In addition, due to regulatory restrictions on foreign ownership in the Group's schools in the PRC, the Group conducts its business in the PRC through its Affected Entities. The Group does not hold any equity interests in its Affected Entities, which are beneficially owned by Mr. Liu as to 62% and Ms. Li as to 38%. Through a series of Previous Contractual Arrangements entered into between, among other entities, Dongguan Ruixing, Affected Entities and shareholders of the Affected Entities, the Group effectively controlled these Affected Entities and were able to derive substantially all of their economic benefits. The Previous Contractual Arrangements enabled the Group to (i) receive substantially all of the economic benefits from the Affected Entities in consideration for the services provided by Dongguan Ruixing; (ii) exercise effective control over the Affected Entities; and (iii) hold an exclusive option to purchase all or part of the equity interests in the Affected Entities when and to the extent permitted by PRC laws. As of 1 September 2021, the effective date of the Implementation Regulations, the Group has ceased to control the Affected Entities through the Previous Contractual Arrangements. In particular, this means that (i) Dongguan Ruixing, or any other subsidiaries in which the Company has equity shareholding, will no longer enjoy the right to make changes to the existing school principals, financial controllers or other senior managers of the schools of the Affected Entities through the Previous Contractual Arrangements; and (ii) Dongguan Ruixing, or any other subsidiaries in which the Company has equity shareholding, will cease to receive any economic benefits from the schools of the Affected Entities through the Previous Contractual Arrangements.

The Group, through Dongguan Ruixing, entered into the Zhongshan Contractual Arrangements with Guangdong Guangzheng (which is beneficially owned by Mr. Liu and Ms. Liu, as stated above) and Zonghsan Wenrui, which enables the Group to obtain control over Zhongshan Wenrui and derive substantially all of its economic benefits. The Zhongshan Contractual Arrangements enabled the Group to (i) receive substantially all of the economic benefits from Guangdong Guangzheng and Zonghsan Wenrui in consideration for the services provided by Dongguan Ruixing; (ii) exercise effective control over Guangdong Guangzheng and Zonghsan Wenrui; and (iii) hold an exclusive option to purchase all or part of the equity interests in Guangdong Guangzheng and Zonghsan Wenrui when and to the extent permitted by PRC laws.

Save as disclosed above, there was no contract or arrangement subsisting at the Latest Practicable Date in which any Director was materially interested in and which was significant in relation to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any material litigation or arbitration and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group.

8. EXPERT AND CONSENT

The qualification of the expert, who has given opinions and advice in this circular, is as follows:

Name	Qualification
South China Capital Limited	South China Capital Limited, a corporation licensed under the SFO to carry on Type 6 (advising on corporate finance) regulated activities, and appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subject Transactions

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters, reports, advice and/or references to its names, in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been since 31 August 2023 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group.

9. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (a) The FY2023 Framework Agreement;
- (b) The FY2022 Framework Agreement;
- (c) An exclusive management consultancy and business cooperation agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui on 30 August 2023, pursuant to which Dongguan Ruixing has obtained the exclusive right to provide, or designate any third party to provide comprehensive corporate management consultancy and educational management consultancy services, intellectual property licensing services and technical and business support services to Zhongshan Wenrui. This agreement enables Dongguan Ruixing to receive substantially all of the economic interest returns generated by Zhongshan Wenrui;
- (d) An exclusive call option agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui on 30 August 2023, pursuant to which Dongguan Ruixing has obtained an irrevocable and exclusive right to purchase all or part of equity interests in Zhongshan Wenrui from Guangdong Guangzheng at nil consideration or a minimum purchase price permitted under PRC laws and regulations;
- (e) A power of attorney granted by Guangdong Guangzheng in favour of Dongguan Ruixing on 30 August 2023, pursuant to which Guangdong Guangzheng has irrevocably appointed Dongguan Ruixing, or any person designated by Dongguan Ruixing, as its attorney-in-fact to appoint directors and vote on its behalf on all matters of Zhongshan Wenrui requiring shareholders' approval under its articles of associations and under the relevant PRC laws and regulations;
- (f) A loan agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui on 30 August 2023, pursuant to which Dongguan Ruixing (or its designated related party) is entitled to provide interest-free loans to Zhongshan Wenrui from time to time in accordance with the PRC laws and regulations;
- (g) An equity pledge agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui on 30 August 2023, pursuant to which Guangdong Guangzheng has unconditionally and irrevocably pledged all of its equity interests in Zhongshan Wenrui to Dongguan Ruixing to guarantee performance of the obligations of Guangdong Guangzheng under the above documents;
- (h) The Sale and Purchase Agreement; and
- (i) The Termination Agreement.

10. GENERAL

- (a) The company secretary of the Company is Mr. Yu Cheeric, a member of the American Institute of Certified Public Accountants;
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111;
- (c) The head office and principal place of business in Hong Kong of the Company is 8/F, Times Media Centre, No. 133 Wan Chai Road, Hong Kong;
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wisdomeducationintl.com>) from the date of this circular up to and including 14 days (except public holidays):

- (a) the contracts referred to in the paragraph headed "9. MATERIAL CONTRACTS" in this Appendix III;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 15 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 16 to 30 of this circular; and
- (d) the written consent referred to in the paragraph headed "8. EXPERT AND CONSENT" in this Appendix III.

NOTICE OF EGM



Wisdom Education International Holdings Company Limited 光正教育國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6068)

Notice is hereby given that an extraordinary general meeting (the “EGM”) of Wisdom Education International Holdings Company Limited (the “Company”) will be held at The Hong Kong General Chamber of Commerce, 22/F United Centre, Admiralty, Hong Kong on Tuesday, 9 April 2024 at 10:00 a.m.. Unless otherwise defined, capitalised terms used in this notice and the following resolution shall have the same meanings as those defined in the circular of the Company dated 23 February 2024 (the “Circular”):

Ordinary Resolution

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

1. “**THAT:**
 - (a) the Cash Advances relating to Land Bidding (as defined and described in the Circular) and all agreements, deeds, instruments and other documents executed or to be executed by the Company in relation to such be and are hereby approved, confirmed and ratified;
 - (b) the Cash Advances relating to construction costs of the Proposed Zhongshan High School (as defined and described in the Circular) and all agreements, deeds, instruments and other documents executed or to be executed by the Company in relation to such be and are hereby approved, confirmed and ratified;
 - (c) the FY2023 Framework Agreement (as defined and described in the Circular), and the transactions thereunder, and all agreements, deeds, instruments and other documents executed or to be executed by the Company in relation to such be and are hereby approved, confirmed and ratified;
 - (d) the FY2022 Framework Agreement (as defined and described in the Circular), and the transactions thereunder, and all agreements, deeds, instruments and other documents executed or to be executed by the Company in relation to such be and are hereby approved, confirmed and ratified;

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- (e) the Interest Payment (as defined and described in the Circular) of RMB10.5 million to be made by Guangdong Guangzheng to the Company in respect of the interests accrued from the advancements under the Subject Transactions as set out in paragraph (a) (b) (c) above, and the basis of calculation of such interest payment, be and are hereby approved, confirmed and ratified;
- (f) the basis of calculation of the Future Interest Payment (as defined and described in the Circular) to be made by Guangdong Guangzheng to the Company be and is hereby approved, confirmed and ratified;
- (g) the Subject Transactions and the transactions and arrangements as described in the Circular be and are hereby approved, confirmed and ratified; and
- (h) any one director of the Company be and is hereby authorised on behalf of the Company to do all such acts and sign all such documents and to enter into all such transactions and arrangements as may be necessary or expedient in connection with the implementation of and giving effect to or otherwise in connection with the Subject Transactions and the transactions and arrangements as described in the Circular.”

Special Resolution

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

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing second amended and restated articles of association of the Company (the “**Existing Articles of Association**”), the details of which are set out in Appendix I to the circular of the Company dated 23 February 2024, be and are hereby approved;
- (b) the third amended and restated articles of association of the Company (the “**New Articles of Association**”), which contains all the Proposed Amendments and a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the Existing Articles of Association with immediate effect; and

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- (c) any director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Articles of Association, including without limitation, attending to the necessary filings with the Registrar of Companies in Cayman Islands and Hong Kong.”

For and on behalf of the Board
Wisdom Education International Holdings Company Limited
LI Suwen
Chairperson

Dongguan, 23 February 2024

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder who is the holder of two or more shares of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy to represent him and vote on behalf of him. A proxy need not be a shareholder of the Company.
3. In order 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 notarially certified copy of that power of attorney or authority, 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 not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Wednesday, 3 April 2024 to Tuesday, 9 April 2024 (both dates inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on Tuesday, 2 April 2024.