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

If you have sold or transferred all your shares in Huali University Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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Huali University Group Limited
华立大学集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1756)

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

A notice convening the annual general meeting of the Company to be held at 6/F, The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC on Wednesday, January 20, 2021 at 10:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

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

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

December 18, 2020

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 6/F, The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC on Wednesday, January 20, 2021 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages AGM-1 to AGM-5 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Huali University Group Limited (华立大学集团有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1756)
“Director(s)”	the director(s) of the Company
“Extension Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5(C) in the notice of Annual General Meeting set out on pages AGM-1 to AGM-5 of this circular to be granted to the Directors to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huali Education”	Huali Education Holdings Limited, a limited liability company incorporated in the BVI and wholly owned by Trust Co and one of the Controlling Shareholders

DEFINITIONS

“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5(A) in the notice of Annual General Meeting set out on pages AGM-1 to AGM-5 of this circular to be granted to the Directors to allot and issue Shares up to an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of the said ordinary resolution
“Latest Practicable Date”	December 7, 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	the date on which the Shares are listed on the Main Board of the Stock Exchange, being November 25, 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China which, for the purpose of this circular only, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5(B) in the notice of Annual General Meeting set out on pages AGM-1 to AGM-5 of this circular to be granted to the Directors to repurchase Shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of the said ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Trust Co”	Huali-Diamond Limited, a holding vehicle incorporated in BVI indirectly controlled by UBS Trustee (B.V.I.) Limited, the trustee of HL-Diamond Trust, to hold the entire issued share capital of Huali Education
“%”	per cent.

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

Huali University Group Limited
华立大学集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1756)

Executive Directors

Mr. Zhang Zhifeng (*Chairman*)
Mr. Ye Yaming
Mr. Dong Xiaolin

Registered office

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

Non-executive Director

Mr. Zhang Yude

Headquarters in the PRC

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

Independent Non-executive Directors

Ms. Chiu Lai Kuen Susanna, M.H., J.P.
Mr. Yang Ying
Mr. Ding Yi

*Principal place of business
in Hong Kong*

40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai
Hong Kong

December 18, 2020

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information in respect of the resolutions to be proposed at the Annual General Meeting for, among others, (i) the adoption of audited consolidated financial statements and reports of the Directors and the independent auditor for the year ended August 31, 2020; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of retiring Directors; (iv) the declaration of final dividend; and (v) the re-appointment of independent auditor.

LETTER FROM THE BOARD

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

The audited consolidated financial statements of the Company for the year ended August 31, 2020, together with the reports of the Directors and the independent auditor, are set out in the Company's annual report for the year ended August 31, 2020, which may be viewed and downloaded from the Company's website (www.hualiuniversity.com) and the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The audited consolidated financial statements have been reviewed by the Audit Committee.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to allot and issue new Shares and to exercise the powers of the Company to repurchase its own Shares, approval is to be sought from the Shareholders pursuant to the Listing Rules, for the Issue Mandate and the Extension Mandate to allot and issue Shares and the Repurchase Mandate to repurchase its own Shares. As such, ordinary resolutions will be proposed to seek the Shareholders' approval for the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting. Details of the aforesaid resolutions are set out in ordinary resolutions numbered 5(A), 5(B) and 5(C) in the notice of Annual General Meeting.

An ordinary resolution will be proposed at the Annual General Meeting to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed resolution. As at the Latest Practicable Date, there were 1,200,000,000 Shares in issue. Subject to the passing of the above proposed ordinary resolution in relation to the Issue Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company would be allowed to allot and issue a maximum of 24,000,000 Shares, calculated based on 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof.

In addition, subject to a separate approval of the ordinary resolution numbered 5(C), the aggregate nominal amount of Shares repurchased by the Company under ordinary resolution numbered 5(B), if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20% limit of the Issue Mandate as mentioned in the proposed ordinary resolution numbered 5(A) provided that such additional number shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Issue Mandate and the Repurchase Mandate.

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

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

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consists of seven Directors, comprising three executive Directors, namely Mr. Zhang Zhifeng, Mr. Ye Yaming and Mr. Dong Xiaolin; one non-executive Director, namely Mr. Zhang Yude; and three independent non-executive Directors, namely Ms. Chiu Lai Kuen Susanna, *M.H., J.P.*, Mr. Yang Ying and Mr. Ding Yi. Mr. Dong Xiaolin has tendered his resignation as an executive Director with effect from the conclusion of the Annual General Meeting and the Board has approved the appointment of Mr. Ma Zhixiong as an executive Director with effect from the conclusion of the Annual General Meeting.

In accordance with Article 16.19 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Accordingly, Mr. Zhang Zhifeng (an executive Director), Mr. Ye Yaming (an executive Director) and Mr. Zhang Yude (a non-executive Director), who have been longest in office since their respective last election, shall retire at the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors thereat.

Furthermore, pursuant to Article 16.2 of the Articles of Association, Ms. Chiu Lai Kuen Susanna, *M.H., J.P.* (an independent non-executive Director) will retire from office as a Director at the Annual General Meeting. The aforementioned retiring Director is eligible and will offer herself for re-election at the Annual General Meeting.

Ms. Chiu Lai Kuen Susanna, *M.H., J.P.*, an independent non-executive Director, has more than 25 years of experience in accounting, business management and operations. She is a Chartered Accountant in England, a Certified Public Accountant in Hong Kong, a Certified Public Accountant in the PRC, and a Certified Information Systems Auditor. In 2013, she was awarded the Medal of Honor by the Hong Kong Government in recognition of her achievements and dedication to public service, especially her contribution to the accounting profession. In addition, she was awarded the Outstanding Women Professionals Award by the Hong Kong Women Professionals & Entrepreneurs Association in 2014, the Professor Robert Boucher Distinguished Alumni Award by the University of Sheffield in 2014 and the Outstanding Business Women Award by Hong Kong Commercial Daily in 2017. She was appointed as a Justice of the Peace and a New Territories Justice of the Peace by the Hong Kong Government in 2017 and 2018, respectively.

Ms. Chiu Lai Kuen Susanna, *M.H., J.P.* has confirmed her independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. During her tenure as an independent non-executive Director, Ms. Chiu Lai Kuen Susanna, *M.H., J.P.* has not been involved in the daily management of the Company and has not been in any relationship or circumstances that would materially affect her exercise of independent judgement. The Nomination Committee considered Ms. Chiu Lai Kuen Susanna, *M.H., J.P.* to be independent in accordance with the independence guidelines.

In accordance with the Company's nomination policy and considering the various diversity aspects set out in the Company's board diversity policy, the Nomination Committee recommended to the Board the re-election of Ms. Chiu Lai Kuen Susanna, *M.H., J.P.* as an independent non-executive Director at the Annual General Meeting.

LETTER FROM THE BOARD

Taking into consideration of the experience, skills and knowledge of Ms. Chiu Lai Kuen Susanna, M.H., J.P. and the recommendation of the Nomination Committee, the Board is of the view that Ms. Chiu Lai Kuen Susanna, M.H., J.P. will continue to contribute effectively to the Board with her profound knowledge and extensive experience in the business of the Group and recommends the re-election by the Shareholders at the Annual General Meeting.

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

RECOMMENDATION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has proposed a final dividend of RMB0.0626 per Share for the year ended August 31, 2020 (year ended August 31, 2019: nil), which is subject to the approval of the Shareholders at the Annual General Meeting.

The final dividend, if approved by the Shareholders at the Annual General Meeting, will be paid on or around February 9, 2021 to the Shareholders whose names appear on the register of members of the Company on Thursday, January 28, 2021.

In order to determine the identity of the Shareholders who are entitled to the final dividend, the register of members of the Company will be closed from Tuesday, January 26, 2021 to Thursday, January 28, 2021 (both dates inclusive), during which period no transfer of Shares will be effected. The final dividend will be paid in Hong Kong dollars. In order to qualify for the final dividend, 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 p.m. on Monday, January 25, 2021.

RE-APPOINTMENT OF INDEPENDENT AUDITOR

PricewaterhouseCoopers, which has audited the consolidated financial statements of the Company for the year ended August 31, 2020, will retire as the independent auditor at the Annual General Meeting and, being eligible, offer itself for re-appointment. The Board proposes to re-appoint PricewaterhouseCoopers as an independent auditor in respect of the audited consolidated financial statements of the Group for the year ending August 31, 2021 and to authorise the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages AGM-1 to AGM-5 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve (i) the adoption of audited consolidated financial statements and reports of the Directors and the independent auditor for the year ended August 31, 2020; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of retiring Directors; (iv) the declaration of final dividend; and (v) the re-appointment of independent auditor.

LETTER FROM THE BOARD

FORM OF PROXY

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

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

VOTING BY WAY OF POLL

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

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

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors consider that the proposed resolutions for (i) the adoption of audited consolidated financial statements and reports of the Directors and the independent auditor for the year ended August 31, 2020; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the re-election of retiring Directors; (iv) the declaration of final dividend; and (v) the re-appointment of independent auditor are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL INFORMATION

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

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

Yours faithfully,
By order of the Board
Huali University Group Limited
Zhang Zhifeng
Chairman

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

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

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

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

DIRECTOR CANDIDATES

Executive Directors

Mr. ZHANG Zhifeng (張智峰), aged 54, is the founder of the Group. He was first appointed as the first Director on May 24, 2016 and was redesignated as the chairman of the Board and an executive Director on December 18, 2017. Mr. Zhang was also appointed as the chairman of the Nomination Committee on August 16, 2019. He is primarily responsible for the overall management and strategic development of the Group.

In addition to his contribution to the Group, Mr. Zhang was a member of the 8th and 9th Zengcheng City Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議增城市第八屆、第九屆委員會) and a special committee member of the 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆廣東省委員會). Mr. Zhang was awarded "Special Contribution Award for Private Education of the 70th Anniversary of the Founding of the People's Republic of China" (建國70週年民辦教育特殊貢獻獎) by the Institute of Educational Chinese Academy of Management Science (中國管理科學研究院教育科學研究所) and China Academy of Management Science Advisory Department (中國管理科學研究院諮詢部) in April 2019.

Mr. Zhang's dedication to education has been well recognized. The following sets out the awards received by him:

Date	Awards	Awarding authority
July 2005	“2005 Outstanding Persons of Education Innovation in China” (“2005全國傑出教育創新人物”)	Jointly presented by Chinese Academy of Management Science (中國管理科學研究院), China Society for Futures Studies (中國未來研究會) and School of Education, Peking University (北京大學教育學院)
September 2005	“Outstanding Contribution Award” presented by Innovation and Development of Private Education in China and Educational, Scientific and Cultural Award of Anna Chan Chennault Campaign (中國民辦教育創新與發展、陳香梅教科文獎表彰活動「特殊貢獻獎」)	Jointly presented by Office for Educational, Scientific and Cultural Award of Anna Chan Chennault (陳香梅教科文獎辦公室) and China Adult Education Association (中國成人教育協會)
April 2019	“Special Contribution Award for Private Education of the 70th Anniversary of the Founding of the People's Republic of China” (「建國70週年民辦教育特殊貢獻獎」)	Jointly presented by Institute of Educational Chinese Academy of Management Science (中國管理科學研究院教育科學研究所) and China Academy of Management Science Advisory Department (中國管理科學研究院諮詢部)

Mr. Zhang is the father of Mr. Zhang Yude, a non-executive Director.

The sole shareholder of Huali Education is Trust Co. The entire equity interest in Trust Co is held on trust by UBS Nominees Limited for UBS Trustees (B.V.I.) Limited. UBS Trustees (B.V.I.) Limited is the trustee of HL Diamond Trust. HL-Diamond Trust is a discretionary trust established by Mr. Zhang Zhifeng as the settlor and with Mr. Zhang Zhifeng and his spouse and children as the beneficiaries. Therefore, each of Mr. Zhang Zhifeng and his spouse and children, Trust Co and UBS Trustees (B.V.I.) Limited is deemed to be interested in the 900,000,000 Shares held by Huali Education.

Mr. Zhang has entered into a service agreement with the Company for a term of three years commencing from August 16, 2019 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service agreement, Mr. Zhang is entitled to a director's remuneration of RMB2,480,000 and a discretionary bonus per year, which have been determined by the Remuneration Committee and the Board with reference to his performance, duties and responsibilities with the Company.

Mr. YE Yaming (葉雅明), aged 61, was appointed as an executive Director and chief executive officer of the Company on December 18, 2017. Mr. Ye was also appointed a member of the remuneration committee of the Company on August 16, 2019. He is primarily responsible for the overall operation and management of the Group.

Mr. Ye's dedication to education has been well recognized. The following sets out the awards received by him:

Date	Awards	Awarding authority
September 1994	“Outstanding Educator of Vocational Training in Guangdong Province” (“廣東省就業培訓優秀教師”)	Guangdong Provincial Labor Department (廣東省勞動廳) (currently known as the Department of Human Resources and Social Security of Guangdong Province (廣東省人力資源和社會保障廳))
March 1998	Advanced Worker of the Labor System in the City (全市勞動系統先進工作者)	Qingyuan Labor Bureau (清遠市勞動局) (currently known as Qingyuan Municipal Human Resources and Social Security Bureau (清遠市人力資源和社會保障局))
September 2004	“Guangzhou Outstanding Educator” (“廣州市優秀教師(教育工作者)”)	Jointly presented by Guangzhou Education Bureau (廣州市教育局) and Guangzhou Education Foundation (廣州市教育基金會)

Mr. Ye has entered into a service agreement with the Company for a term of three years commencing from August 16, 2019 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service agreement, Mr. Ye is entitled to a director's remuneration of RMB1,680,000 and a discretionary bonus per year, which have been determined by the Remuneration Committee and the Board with reference to his performance, duties and responsibilities with the Company.

Non-executive Director

Mr. ZHANG Yude (張裕德), aged 29, was appointed as a non-executive Director on December 18, 2017. He is primarily responsible for giving strategic advice and guidance on the overseas education business and the strategic development of the Group.

Mr. Zhang has been the assistant to the chairman of Guangzhou Huali Investment Limited since December 2015. Prior to joining the Group, Mr. Zhang served as a financial analyst at Mandarin Investment Group in California from May 2014 to December 2015.

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

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

Mr. Zhang has signed an appointment letter with the Company for an initial period of three years commencing from August 16, 2019 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Zhang is entitled to a director's remuneration of RMB690,000 per year.

Independent Non-executive Director

Ms. Chiu Lai Kuen Susanna, M.H., J.P. (趙麗娟) aged 60, was appointed as an independent non-executive Director and the chairman of the audit committee of the Company on July 17, 2020. She is primarily responsible for supervising the compliance and corporate governance matters of the Group and providing independent opinions and advice to the Board.

Ms. Chiu has been serving as an independent non-executive director of Nanyang Commercial Bank since May 2018; an independent non-executive director of Kato (Hong Kong) Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2189), since May 2019; an independent non-executive director of Huijing Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 9968), since December 2019; and an independent director of Songz Automobile Air Conditioning Co. Ltd. (上海加冷松芝汽車空調股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002454), since May 2020. From 2006 to 2019, she served as a senior vice president, a director (Eastern and Central China) and a consultant in various member companies of the Fung Group, which is principally engaged in trading, distribution, logistics and retailing businesses. She was previously the chief operating officer and the senior vice president of business development and corporate affairs of DVN Holdings Company Limited (currently known as Frontier Services Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 500).

Ms. Chiu is currently a member of the Chinese People's Political Consultative Conference of Shanghai, the council treasurer of the Education University of Hong Kong, and a member of the Women's Commission. Ms. Chiu was awarded the Medal of Honor by the Hong Kong Government in 2013 for her achievement and dedication in public services, especially in relation to the accounting profession. She was also awarded the Outstanding Business Women Award by Hong Kong Commercial Daily in 2017.

Ms. Chiu has signed an appointment letter with the Company for an initial period of three years commencing from July 17, 2020 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Chiu is entitled to a director's remuneration of HK\$300,000 per year.

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

SHARE CAPITAL

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

REASONS OF REPURCHASES

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

FUND OF REPURCHASES

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

IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the consolidated financial position of the Company as at August 31, 2020, being the date of the latest published audited financial statements of the Company) if the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

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

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

EFFECT OF THE TAKEOVERS CODE

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

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Huali Education Holdings Limited held 900,000,000 Shares, representing 75.0% of the issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Huali Education Holdings Limited in the Company will increase to approximately 83.3% of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

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

SHARE REPURCHASE MADE BY THE COMPANY

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

UNDERTAKING

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

SHARE PRICES

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

Month	Price per Share	
	Highest traded prices <i>HK\$</i>	Lowest traded prices <i>HK\$</i>
2019		
November	3.19	2.54
December	2.90	2.55
2020		
January	3.40	2.51
February	3.76	2.76
March	3.58	2.44
April	3.32	2.70
May	3.44	2.98
June	3.85	3.13
July	3.75	2.80
August	3.23	2.85
September	3.17	2.89
October	3.04	2.71
November	3.12	2.75
December (up to the Latest Practicable Date)	3.02	2.89

NOTICE OF ANNUAL GENERAL MEETING

Huali University Group Limited 华立大学集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1756)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**AGM**”) of Huali University Group Limited (the “**Company**”) will be held at 6/F, The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC on Wednesday, January 20, 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the independent auditor for the year ended August 31, 2020.
2. To declare a final dividend of RMB0.0626 per share of the Company for the year ended August 31, 2020.
3. (a) (i) To re-elect Mr. Zhang Zhifeng as an executive Director;
(ii) To re-elect Mr. Ye Yaming as an executive Director;
(iii) To re-elect Mr. Zhang Yude as a non-executive Director; and
(iv) To re-elect Ms. Chiu Lai Kuen Susanna, M.H., J.P as an independent non-executive Director.
(b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as the independent auditor of the Company and to authorise the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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

(A) **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:
 - (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the shareholders in a general meeting, either unconditionally or subject to conditions;

NOTICE OF ANNUAL GENERAL MEETING

- (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (3) the revocation, variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) “**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”
- (B) “**THAT**:
- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
 - (ii) the aggregate number of shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
 - (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the shareholders in a general meeting, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (c) the revocation, variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice of AGM being passed, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company after the date of the passing of this resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution) shall be added to the aggregate nominal amount of the share capital of the Company that may be issued, allotted or otherwise dealt with, or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution numbered 5(A) set out in the notice of AGM.”

Yours faithfully,
By order of the Board
Huali University Group Limited
Zhang Zhifeng
Chairman

Hong Kong, December 18, 2020

Notes:

- (i) All resolutions proposed at the AGM will be voted by poll (except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on both the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.hualiuniversity.com in accordance with the Listing Rules.
- (ii) A shareholder entitled to attend and vote at the AGM is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) A form of proxy for use of the AGM is enclosed with the circular of the Company. In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarised certified copy thereof) not less than 48 hours before the time appointed for the holding of AGM or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the AGM (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members will be closed from Sunday, January 17, 2021 to Wednesday, January 20, 2021, both days inclusive to determine the entitlement of the shareholders to attend the AGM, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investors Service Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Saturday, January 16, 2021.
- (vi) The transfer books and register of members will also be closed from Tuesday, January 26, 2021 to Thursday, January 28, 2021, both days inclusive to determine the entitlement of the shareholders to receive final dividend, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, January 25, 2021.
- (vii) With regards to the resolution set out in items 5(A) to 5(C) of the notice of AGM, the Directors wish to state that they have no immediate proposals either to issue or repurchase any securities of the Company. An explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the general mandate to repurchase shares of the Company, as required by the Listing Rules, is set out in Appendix II to the circular of the Company dated December 18, 2020.
- (viii) All times and dates specified herein refer to Hong Kong local times and dates.

As at the date of this notice, the executive Directors are Mr. Zhang Zhifeng, Mr. Ye Yaming and Mr. Dong Xiaolin; the non-executive Director is Mr. Zhang Yude; and the independent non-executive Directors are Ms. Chiu Lai Kuen Susanna, M.H., J.P., Mr. Yang Ying and Mr. Ding Yi.