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

If you have sold or transferred all your shares in **China E-Learning Group Limited**, you should at once hand this circular and the enclosed form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



CHINA E-LEARNING GROUP LIMITED
中國網絡教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

**(I) PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE ITS OWN SHARES AND EXTENSION OF ISSUE MANDATE**
(II) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
(III) PROPOSED RE-ELECTION OF DIRECTORS
(IV) CHANGE OF AUDITORS
AND
(V) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of China E-Learning Group Limited to be held at Unit 2610, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 23 May 2014 at 11:00 a.m. is set out on pages 16 to 19. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page and the website of the Company at www.chinae-learning.com for at least 7 days from the date of its posting.

17 April 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Unit 2610, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong, on Friday, 23 May 2014 at 11:00 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company, and “Article” shall mean an article of the Articles
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Code on Share Repurchases”	the Code on Share Repurchases approved by the Commission as amended from time to time
“Commission”	Securities and Futures Commission of Hong Kong
“Company”	China E-Learning Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company held at Unit 2610, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong, on Friday, 28 March 2014 at 11:00 a.m.
“Existing General Mandate”	the general mandate granted to the Directors by the Shareholders at the EGM to allot, issue or deal with up to a maximum of 326,844,580 new Shares, representing 20% of the issued share capital of the Company as at the date of the EGM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares or securities convertible into such Shares or options, warrants or similar rights to subscribe for any Shares or convertible securities and to make or grant offers, agreements and options which might require the exercise of such power, in aggregate not exceeding 20% of the issued share capital of the Company at the date of passing of the resolution approving such grant
“Latest Practicable Date”	11 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Old Scheme”	the share option scheme adopted by the Company on 24 November 2001
“Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution approving such grant
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon exercise of all Options to be granted under the Share Option Scheme and all other options under any other share option schemes of the Group; in respect of the existing Scheme Mandate Limit, 132,228,582 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 23 May 2011, and in respect of the Scheme Mandate Limit (as refreshed) to be approved at the forthcoming AGM, representing 10% of the issued share capital of the Company as at the date of the Shareholders’ approval of the refreshment of the Scheme Mandate Limit
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by Company on 23 May 2011

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers approved by the Commission as amended from time to time

LETTER FROM THE BOARD



CHINA E-LEARNING GROUP LIMITED 中國網絡教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

Executive Director:

Mr. Yuan Wei

Non-executive Director:

Mr. Li Xiangjun

Independent Non-executive Directors:

Mr. Li Qunsheng

Dr. Huang Chung Hsing

Ms. Li Ya Ru Nancy

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Unit 2610, 26th Floor

Office Tower

Convention Plaza

No. 1 Harbour Road, Wanchai

Hong Kong

17 April 2014

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE ITS OWN SHARES AND EXTENSION OF ISSUE MANDATE**

(II) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

(III) PROPOSED RE-ELECTION OF DIRECTORS

(IV) CHANGE OF AUDITORS

AND

(V) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At an annual general meeting of the Company held on 15 May 2013, the Shareholders passed the ordinary resolutions to give general and unconditional mandates to the Directors to issue and allot additional Shares or securities convertible into Shares and to exercise the power of the Company to repurchase its own Shares in accordance with the GEM Listing Rules. During the period from 15 May 2013 to the date of the EGM, the general mandate to issue and allot new Shares has been

LETTER FROM THE BOARD

utilized as to 252,344,000 Shares, being 85.72% of the 294,375,780 Shares that are allowed to be allotted and issued under the general mandate by the resolutions passed at annual general meeting of the Company on 15 May 2013. At the EGM, the refreshment of the general mandate was proposed to and was approved by the Shareholders and therefore the Company was allowed under the Existing General Mandate to allot and issue up to 326,844,580 new Shares, being 20% of the total issued share capital of the Company as at the date of the EGM. During the period from the date of the EGM to the Latest Practicable Date, the Existing General Mandate to issue its own Shares has not been utilized. Meanwhile, the general mandate to repurchase its own Shares has not been utilized. It is therefore proposed to refresh the Issue Mandate and the Repurchase Mandate at the AGM.

The purpose of this circular is to provide you with the relevant information regarding the proposal for refreshment of the Issue Mandate and the Repurchase Mandate, the extension of Issue Mandate, the refreshment of the Scheme Mandate Limit of the Share Option Scheme, the re-election of Directors and the appointment of the new auditor details of which are provided herein, to seek your approval of the ordinary resolutions relating to these matters at the AGM and to give you the notice of the AGM.

ISSUE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Issue Mandate to exercise all the powers of the Company to allot, issue and otherwise deal with additional Shares or securities convertible into such Shares or options, warrants or similar rights to subscribe for any Shares or convertible securities and to make or grant offers, agreements and options which might require the exercise of such power, up to the limit of 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing such resolution. In addition, an ordinary resolution will also be proposed to authorize an extension of the Issue Mandate by adding to the aggregate number of additional Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares repurchased under the Repurchase Mandate, if granted.

The Company had in issue an aggregate of 1,634,222,902 Shares as at the Latest Practicable Date. Subject to the passing of the ordinary resolution for approving the Issue Mandate, the Company will be allowed to allot, issue and deal with up to a maximum of additional 326,844,580 Shares under the Issue Mandate on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM.

The Issue Mandate, if granted, will continue in force until, whichever occurs first, (a) the conclusion of the next annual general meeting of the Company after the AGM; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (c) the revocation or variation of the authority by an ordinary resolution of the Shareholders passed at a general meeting of the Company.

Details of the aforesaid ordinary resolutions are set out in ordinary resolutions numbered 4A and 4C in the notice of AGM.

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REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate to exercise all the powers of the Company to repurchase Shares on the GEM or on any other exchange on which the Shares have been or may be listed and recognized for this purpose by the Commission and the Stock Exchange under the Code on Share Repurchases, up to a limit of 10% of the issued share capital of the Company on the date of passing such resolution. The authority conferred by the resolution will only continue in force until, whichever occurs first, (a) the conclusion of the next annual general meeting of the Company after the AGM; or (b) the expiration of the period within which the Company is required by any applicable laws or the Articles to hold its next annual general meeting; or (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders passed at a general meeting of the Company.

Details of the aforesaid ordinary resolution are set out in ordinary resolution numbered 4B in the notice of AGM.

Pursuant to the GEM Listing Rules, an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in Appendix I hereto.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

At the annual general meeting of the Company held on 23 May 2011, the Company adopted a new Share Option Scheme and the Old Scheme became terminated therefrom. The Share Option Scheme became effective on 23 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon termination of the Old Scheme, no further Options under the Old Scheme can be granted but the Options which have been granted during the life of the Old Scheme shall continue to be exercisable in accordance with their terms of issue and the provisions of Chapter 23 of the GEM Listing Rules. As at the Latest Practicable Date, an aggregate of 24,166,633 Options under the Old Scheme were outstanding and no Option was exercised or cancelled or lapsed.

The Board propose to seek the approval of the Shareholders to refresh the existing Scheme Mandate Limit. Under the existing Scheme Mandate Limit, the Directors were authorized to grant 132,228,582 Options to subscribe for up to 132,228,582 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting on 23 May 2011 at which the Share Option Scheme was adopted. Since the adoption of the Share Option Scheme on 23 May 2011 and up to the Latest Practicable Date, the Company has granted 132,000,000 Options under the existing Scheme Mandate Limit, amongst which 20,000,000 was exercised; no option was cancelled or lapsed; 112,000,000 Options remained outstanding and 228,582 Options have not been granted.

Immediately prior to the refreshment of the existing Scheme Mandate Limit, a total of 136,166,633 Options to subscribe for 136,166,633 Shares remained outstanding, which represented 8.33% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

In order to provide the Company with greater flexibility in granting Options to eligible persons (including but not limited to employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, the Board decided to seek the approval from the Shareholders to refresh the Scheme Mandate Limit at the AGM. The refreshment of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme. The Directors consider that such refreshment of the Scheme Mandate Limit is in the interest of the Company and the Shareholders as a whole.

Based on 1,634,222,902 Shares in issue as the Latest Practicable Date and assuming no further Shares are repurchased and issued prior to the AGM, upon the approval of the refreshment of the Scheme Mandate Limit at the AGM, the Directors will, apart from the 136,166,633 Options which have already been granted and are still outstanding, be authorized to exercise the powers of the Company to issue 163,422,290 Options to subscribe for a total of 163,422,290 Shares, representing 10% of the total number of Shares in issue as at the AGM. Assuming that the refreshment of the Scheme Mandate Limit is approved at the AGM and taking into account the following:

1. the additional 163,422,290 Shares subject to the Scheme Mandate Limit (as refreshed); and
2. the 136,166,633 Shares subject to the Options granted and yet to be exercised,

the number of the Shares that may be issued under the Options to be granted under the Scheme Mandate Limit (as refreshed) and to be issued under the Options granted and outstanding will be in aggregate of 299,588,923 Shares, representing approximately 18.33% of the Shares in issue as at the Latest Practicable Date and is within the 30% of Shares in issue as at the Latest Practicable Date. Under the GEM Listing Rules, the 30% scheme limit represents a limit of 30% of the Shares in issue from time to time which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group.

The refreshment of the Scheme Mandate Limit of the Share Option Scheme is conditional upon:

1. the passing of an ordinary resolution at the AGM to approve the refreshment of the Scheme Mandate Limit by the Shareholders, to authorise the Directors to grant Options to subscribe for Shares under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any options granted under the Share Option Scheme; and
2. the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any Options granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange by the Company for the approval of the listing of and permission to deal in the Shares to be issued upon the exercise of any Options that may be granted under the Share Option Scheme and any other schemes of the Company under the refreshed Scheme Mandate Limit.

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An ordinary resolution will be proposed at the AGM to approve the refreshment of the Scheme Mandate Limit of the Share Option Scheme in the terms as set out in Resolution No. 5 of the notice of the AGM. In order that the Company could continue to grant Options to selected participants as incentives or rewards for their contribution to the Company, the Directors recommend the Shareholders to vote in favor of this resolution.

OUTSTANDING OPTIONS

The table below sets out the summary of the outstanding options under the Old Scheme and under the Share Option Scheme.

Grantee	Scheme	Date of grant	Exercise period	Exercise price per share (HKD)	Outstanding options as at the Latest Practicable Date
Directors and connected persons					
Chen Hong (<i>Note 1</i>)	Old Scheme	28/8/2008	28/08/2008-27/08/2018	1.281	3,188,653
	Old Scheme	9/7/2009	09/07/2009-08/07/2019	0.652	3,188,653
	Share Option Scheme	11/12/2013	11/12/2013-10/12/2023	0.1	10,000,000
Li Xiangjun	Old Scheme	28/8/2008	28/08/2008-27/08/2018	1.281	2,349,534
	Old Scheme	9/7/2009	09/07/2009-08/07/2019	0.652	4,363,420
Yuan Wei	Share Option Scheme	11/12/2013	11/12/2013-10/12/2023	0.1	10,000,000
Subtotal					<u>33,090,260</u>
Others					
Aggregate of public grantees	Old Scheme	28/8/2008	28/08/2008-27/08/2018	1.281	3,692,124
Aggregate of public grantees	Old Scheme	9/7/2009	09/07/2009-08/07/2019	0.652	7,384,249
Aggregate of public grantees	Share Option Scheme	11/12/2013	11/12/2013-10/12/2023	0.1	92,000,000
Subtotal					<u>103,076,373</u>
Total					<u>136,166,633</u>

Note:

1. Mr. Chen Hong has resigned as Director with effect from 14 February 2014.

LETTER FROM THE BOARD

EXTENSION OF ISSUE MANDATE

In addition, if the Repurchase Mandate and the Issue Mandate are granted, an ordinary resolution will be proposed at the AGM that the Directors be granted an extension of the Issue Mandate, which provides that any Shares repurchased under the Repurchase Mandate will be added to the total number of the Shares which may be allotted and issued under the Issue Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Article 87(1) and 87(2) of the Articles, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. All retiring Directors shall be eligible for re-election at the forthcoming AGM.

Accordingly, Mr. Yuan Wei, Mr. Li Qunsheng and Ms. Li Ya Ru Nancy will retire from office and, being eligible, offer themselves for re-election at the AGM. An ordinary resolution will be proposed at the AGM to re-elect the abovementioned Directors.

The biographical details in respect of the retiring Directors, as required under Chapter 17 of the GEM Listing Rules, are set out in Appendix II to this circular.

CHANGE OF AUDITORS

As disclosed in the announcement of the Company dated 4 April 2014, the Board has decided to change the auditor of the Company because Parker Randall CF (H.K.) CPA Limited (“**Parker Randall**”) will retire as the auditor of the Company, and will not seek re-appointment upon expiration of its current term of office at the conclusion of the AGM.

As recommended by the audit committee of the Company, the Board proposes the appointment of McMillan Woods SG CPA Limited as the new auditor of the Company to fill the vacancy following the retirement of Parker Randall, subject to the approval of the Shareholders at the AGM, and to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting.

Parker Randall has confirmed in writing that there are no matters in relation to its cessation to act as the Company’s auditor that need to be brought to the attention of the Shareholders. To the best knowledge of the Board, the Board is not aware of any other matters in relation to the change of auditors that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company have also confirmed that there are no disagreements or outstanding matters between the Company and Parker Randall.

A resolution will be proposed at the AGM to appoint McMillan Woods SG CPA Limited as the auditor of the Company.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 16 to 19 of this circular.

Whether or not you propose to attend the AGM, you are requested to complete the enclosed form of proxy and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the AGM or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof if you so wish.

All the resolutions proposed at the AGM will be taken by poll and an announcement on the results of the poll will be made by the Company after the AGM in accordance with the GEM Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors are of the opinion that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the refreshment of the Scheme Mandate Limit, the re-election of Directors and the appointment of the new auditor are in the best interests of the Company and its Shareholders as a whole and, accordingly, recommend you to vote in favor of all the resolutions to be proposed at the forthcoming AGM.

Your attention is also drawn to the information as set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
China E-Learning Group Limited
Yuan Wei
Executive Director

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate to be proposed at the AGM.

1. NUMBER OF SHARES WHICH MAY BE REPURCHASED

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,634,222,902 Shares of HK\$0.10 each.

Subject to the passing of the resolution for the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 163,422,290 Shares (representing 10% of the issued share capital of the Company as at the Latest Practicable Date).

2. REASONS FOR REPURCHASES

An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase of Shares will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase its Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the laws of the Cayman Islands for the purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2013 annual report of the Company), in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

4. SHARE PRICES

The highest and lowest prices at which the Company's Shares have been traded on GEM during each of the twelve months preceding the Latest Practicable Date are as follows:

	Traded Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
April	0.1750	0.1500
May	0.1790	0.1500
June	0.1740	0.1500
July	0.1650	0.1100
August	0.1390	0.1200
September	0.1340	0.1100
October	0.1490	0.1160
November	0.1320	0.0950
December	0.1190	0.0810
2014		
January	0.2200	0.0810
February	0.2600	0.1650
March	0.2800	0.1710
April (up to the Latest Practicable Date)	0.2050	0.1700

5. UNDERTAKINGS

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

6. TAKEOVERS CODE

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

Assuming that the Substantial Shareholder (as defined in the GEM Listing Rules) of the Company do not dispose of his/her Shares, if the Repurchase Mandate was exercised in full, the percentage shareholding of the Substantial Shareholder of the Company before and after such repurchase would be as follows:

Substantial Shareholder	Number of Shares held	Approximate percentage of shareholding before repurchase	Approximate percentage of shareholding after repurchase
Yang Dong Jun	207,554,896	12.70%	14.11%

As shown in the above table, the exercise of the Repurchase Mandate in full shall not give rise to an obligation of the existing Shareholders to make a mandatory offer under Rule 26 of the Takeovers Code.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

To the best of their knowledge after making all reasonable enquiries, neither the Directors nor any of their associates have notified the Company of any present intention, if the Repurchase Mandate is approved by Shareholders, to sell any Share to the Company.

As at the Latest Practicable Date and to the best knowledge of the Directors, none of the Connected Persons of the Company have notified the Company that they have a present intention to sell any Share to the Company or have undertaken not to sell any of the Share held by them to the Company in the event that the Repurchase Mandate is passed.

8. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares on the Stock Exchange during the six months preceding the Latest Practicable Date.

The following are the particulars of the Directors who are proposed to be re-elected at the AGM:

Executive Director

Mr. Yuan Wei (“Mr. Yuan”), aged 42, received his associate degree in Heilongjiang Academy of Finance and Management for Comrades (黑龍江省財貿幹部管理學院) and graduated in 1992. He joined the Beijing Commercial Bank (北京市商業銀行) in 1993 and worked for 12 years. He left the position of manager at the credit department of the Beijing Commercial Bank in 2005. Mr. Yuan then engaged in the finance-related business and has gained 20 years of experience in the financial and banking sector.

Save as disclosed herein, prior to the appointment with the Company, Mr. Yuan does not hold any position with the Company or any of its subsidiaries nor did he hold any directorship or any other major appointment or qualification in other listed companies in the three years preceding the Latest Practicable Date.

As at the Latest Practical Date, Mr. Yuan has share options to subscribe for 10,000,000 Shares of the Company within the meaning of Part XV of the SFO.

Mr. Yuan has entered into a service contract with the Company for a term of 3 years. The remuneration of Mr. Yuan is HK\$600,000 per annum, which was determined with reference to his duties and responsibilities.

Save as disclosed above, Mr. Yuan does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules.

Independent Non-executive Directors

Mr. Li Qunsheng (“Mr. Li”), aged 54, graduated from Dongbei University of Finance and Economics in China in 1982 and is currently a certified public accountant in China. From 1982 to 1993, Mr. Li served in the Ministry of Finance, Investment Department of the National Audit Office and the China Audit Administration. In 1993, he served as vice president of BOT investment & Development Corporation and was in charge of the financial affairs of the company as well as the management of its subsidiaries. He was also involved in planning the investments into high-grade highways and M&A activities. Mr. Li left office in 1997, and then joined Golden Sino (China Infrastructure) Development Holdings Limited as general manager, responsible for project planning, negotiations, project construction management, capital operation etc. In 1999, Mr. Li joined Shenzhen Xiansheng Technology Development Co., Ltd. as chief executive officer, responsible for daily operation and management of the company and capital operation of the company. Mr. Li joined Ever Crown International (HK) Limited in 2002 upon its invitation and served as chief executive officer. After that, Mr. Li joined Guangzhou Huan Long Expressway Co., Ltd. in 2009 as managing director, and has been responsible for managing the Guangzhou City Nansha Port Expressway project since then.

Save as disclosed herein, prior to the appointment with the Company, Mr. Li does not hold any position with the Company or any of its subsidiaries nor did he hold any directorship or any other major appointment or qualification in other listed companies in the three years preceding the Latest Practicable Date.

As at the Latest Practical Date, Mr. Li did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Li has entered into a service contract with the Company for a term of 2 years. The remuneration of Mr. Li is HK\$100,000 per annum, which was determined with reference to his duties and responsibilities.

Save as disclosed above, Mr. Li does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules.

Ms. Li Ya Ru Nancy (“Ms. Li”), aged 50, received her Bachelor of Art and Bachelor of Finance in China. She started her first job in Fuji Xerox Co. Ltd in Sydney in 1986 and assigned as the branch manager of National Australia Bank in Taiwan in 1994. Later in 2001, Ms. Li joined as director of Private Wealth Management of Deutsche Bank in Sydney and assigned to Hong Kong as director of Investment Banking Division of Deutsche Bank AG in 2008. Ms. Li left Deutsche Bank AG in 2010 and joined Nomura Securities, Investment Banking Division as executive director. Ms. Li has been the director of Credit Suisse, Hong Kong and China in the last 12 months. Ms. Li has over 15 years experience in corporate finance and IPO with excellent relationship with senior government officials in China, Australia, Taiwan, Cambodia and Burma.

Save as disclosed herein, prior to the appointment with the Company, Ms. Li does not hold any position with the Company or any of its subsidiaries nor did he hold any directorship or any other major appointment or qualification in other listed companies in the three years preceding the Latest Practicable Date.

As at the Latest Practical Date, Ms. Li did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Li has not been appointed for a fixed term of service. The remuneration of Ms. Li is HK\$100,000 per annum, which was determined with reference to her duties and responsibilities.

Save as disclosed above, Ms. Li does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



CHINA E-LEARNING GROUP LIMITED 中國網絡教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China E-Learning Group Limited (the “Company”) will be held at Unit 2610, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 23 May 2014 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2013.
2. To re-elect the retiring directors and to authorize the board of directors to fix their remuneration.
3. To appoint McMillan Woods SG CPA Limited as auditors of the Company, and to hold office until the conclusion of the next annual general meeting of the Company and to authorize the board of directors of the Company to fix their remuneration as Parker Randall CF (H.K.) CPA Limited will not seek re-appointment upon expiration of its current term of office.
4. As special business, to consider, and if thought fit, pass the following resolutions as ordinary resolutions with or without amendments as Ordinary Resolutions:

A. “THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar rights to subscribe for any shares or convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this Resolution), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issued to eligible persons of options to subscribe for, or rights to acquire, share of the Company or, (iv) any scrip dividend or similar arrangement providing for the allotment of shares in the capital of the Company in lieu of the whole or part of the cash payment for any dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not in aggregate exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company passed at a general meeting of the Company.

“**Rights Issue**” means the allotment, issue or grant of shares open in the capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions 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 law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this Resolution) of all powers of the Company to repurchase its own issued shares in the capital of the Company in accordance with laws and requirements and regulations of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other exchanges on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong and The Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in a general meeting of the Company.”

- C. “**THAT** subject to the passing of the Ordinary Resolution Nos. 4A and 4B, the general mandate granted to the Directors to allot, issue and deal with additional securities of the Company pursuant to Resolution No. 4A be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to Resolution No. 4B, provided that the nominal amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution”.

NOTICE OF ANNUAL GENERAL MEETING

5. As special business to consider, and if thought fit, pass the following resolution as ordinary resolution with or without amendments as Ordinary Resolution:

“**THAT** (i) subject to and conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in the shares of HK\$0.10 each in the share capital of the Company (the “Shares”) to be issued pursuant to the exercise of the options (the “Options”) which may be granted under the Share Option Scheme (as defined below), the existing scheme mandate limit (the “Scheme Mandate Limit”) in respect of the granting of options under the share option scheme adopted by the Company on 23 May 2011 (the “Share Option Scheme”) be refreshed provided that the total number of Shares which may be allotted and issued upon exercise of all the options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the Shares of the Company in issue as at the date of approval of such refreshment of the Scheme Mandate Limit (options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme or any other share option scheme of the Company shall be disregarded for calculating the Scheme Mandate Limit), and (ii) any directors of the Company be and are hereby authorized to do all such acts and things and execute all such document as they consider necessary to give effect to the refreshment of the Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such Options.”

By Order of the Board
Cheng Man For
Company Secretary

Hong Kong, 17 April 2014

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business
in Hong Kong:
Unit 2610, 26th Floor
Office Tower
Convention Plaza
No. 1 Harbour Road, Wanchai
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be delivered at the Company’s branch registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude members from attending and voting at the annual general meeting or any adjournment thereof and in such event, the instrument appointing the proxy shall be deemed to be revoked.