
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a 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, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of China E-Learning Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



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)

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary 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 Monday, 12 December 2016 at 12:30 p.m. is set out on pages 8 to 9 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (www.hkgem.com) and the Company (www.chinae-learning.com).

Whether or not you are able to attend the extraordinary general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

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

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

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 otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors;
“Company”	China E-Learning Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary 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 Monday, 12 December 2016 at 12:30 p.m., to consider and, if appropriate, to approve the resolution contained in the notice of the meeting which is set out on pages 8 to 9 of this circular, or any adjournment thereof;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	22 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information 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 Company’s share option schemes;
“Participants”	full time executive directors or full time employees of the Company or any of its subsidiaries;

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme and all other options under any other share option schemes of the Group;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2011;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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 Directors:

Mr. Yuan Wei
Ms. Zhang Jianxin

Independent Non-executive Directors:

Mr. Li Qunsheng
Dr. Huang Chung Hsing
Ms. Li Ya Ru Nancy

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*Principal Place of Business
in Hong Kong:*

Unit 2610, 26th Floor
Office Tower
Convention Plaza
No. 1 Harbour Road, Wanchai
Hong Kong

25 November 2016

To the Shareholders

Dear Sir/Madam,

**PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolution to be proposed at the EGM for the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

2. PROPOSED 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, representing approximately 0.73% of the Shares in issue as at the Latest Practicable Date.

The Board proposes 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 314,716,719 Options to subscribe for up to 314,716,719 Shares, representing 10% of the issued share capital of the Company as at the date of the Company's annual general meeting on 9 June 2015 at which the existing Scheme Mandate Limit was approved. Since the approval of the existing Scheme Mandate Limit on 9 June 2015 and up to the Latest Practicable Date, the Company has granted 314,000,000 Options under the existing Scheme Mandate Limit, amongst which 169,400,000 Options were exercised; no Option was lapsed/cancelled; 144,600,000 Options remained outstanding (representing approximately 4.38% of the Shares in issue as at the Latest Practicable Date) and 716,719 Options have not been granted. In addition to the above, up to the Latest Practicable Date, there are 30,000,000 Options remained outstanding (representing approximately 0.91% of the Shares in issue as at the Latest Practicable Date) under the Scheme Mandate Limit approved in the Company's annual general meeting held on 23 May 2014.

Immediately prior to the refreshment of the existing Scheme Mandate Limit, a total of 198,766,633 Options granted under the Company's share option schemes to subscribe for 198,766,633 Shares remained outstanding, which represented 6.01% of the Shares in issue as at the Latest Practicable Date, since the adoption of the Company's share option schemes.

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 EGM. 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.

LETTER FROM THE BOARD

Based on 3,304,979,386 Shares in issue as at the Latest Practicable Date and assuming no further Shares are repurchased and issued prior to the EGM, upon the approval of the refreshment of the Scheme Mandate Limit at the EGM, the Directors will, apart from the 198,766,633 Options which have already been granted and are still outstanding, be authorized to exercise the powers of the Company to issue 330,497,938 Options to subscribe for a total of 330,497,938 Shares, representing 10% of the total number of Shares in issue as at the EGM. Assuming that the refreshment of the Scheme Mandate Limit is approved at the EGM and taking into account the following:

- (i) the additional 330,497,938 Shares subject to the Scheme Mandate Limit (as refreshed); and
- (ii) the 198,766,633 Shares subject to the Options granted under the Company's share option schemes 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 under the Company's share option schemes and outstanding will be in aggregate of 529,264,571 Shares, representing approximately 16.01% 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:

- (i) the passing of an ordinary resolution at the EGM 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
- (ii) 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.

LETTER FROM THE BOARD

An ordinary resolution will be proposed at the EGM to approve the refreshment of the Scheme Mandate Limit of the Share Option Scheme in the terms as set out in the notice of the EGM. 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 the resolution.

3. EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages 8 to 9 of this circular. At the EGM, a resolution will be proposed to approve the refreshment of the Scheme Mandate Limit.

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the resolution will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the GEM website (www.hkgem.com) and the Company's website (www.chinae-learning.com). Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

4. RECOMMENDATION

The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

5. 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
On behalf of the Board
Yuan Wei
Executive Director

NOTICE OF THE EGM



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 an extraordinary general meeting 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 Monday, 12 December 2016 at 12:30 p.m. for the following purposes of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution:

”**THAT** subject to and conditional upon the Listing Committee of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Company’s shares to be issued upon exercise of any options to be granted under the Refreshed Limit (as defined below) pursuant to the share option scheme adopted by the Company on 23 May 2011 (the “**Share Option Scheme**”), the existing scheme mandate limit under the Share Option Scheme be refreshed so that the total number of shares of the Company to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Company’s share option schemes) shall not exceed 10% of the aggregate number of the Company’s shares in issue as at the date of passing of this resolution (the “**Refreshed Limit**”) and that the directors of the Company be and are hereby authorized to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”.

On behalf of the Board
China E-Learning Group Limited
Yuan Wei
Executive Director

Hong Kong, 25 November 2016

NOTICE OF THE EGM

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

- (b) To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, shall be deposited at the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the proxy form shall be deemed to be revoked.