
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Virscend Education Company Limited, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effect for transmission to the purchaser or transferee.

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Virscend Education Company Limited

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

**PROPOSED DECLARATION AND PAYMENT OF
INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of Virscend Education Company Limited to be held at Room 105, No. 23 He Xin Lu, Pidu District, Chengdu, Sichuan Province, the People's Republic of China on 19 November 2021 at 3:00 p.m. is set out on pages 7 to 9 of this circular.

A form of proxy for use at the extraordinary general meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, 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 extraordinary general meeting (i.e. before 3:00 p.m. on 17 November 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the extraordinary general meeting (or any adjournment thereof) if they so wish.

14 September 2021

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DEFINITIONS

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

“Articles”	the articles of association of the Company, as amended, supplemented and/or otherwise modified from time to time
“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 and/or otherwise modified from time to time
“Company”	Virscend Education Company Limited (成實外教育有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1565)
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Room 105, No. 23 He Xin Lu, Pidu District, Chengdu, Sichuan Province, the PRC on 19 November 2021 at 3:00 p.m., to consider and, if thought fit, to approve the declaration and payment of the Interim Dividend out of the Share Premium Account
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Interim Dividend”	the proposed interim dividend of HK\$0.019 per Share as recommended by the Board
“Latest Practicable Date”	9 September 2021, being the latest practicable date prior to printing of this circular for ascertaining certain information included in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB 913,438,000 as at 30 June 2021 based on the unaudited consolidated financial statements of the Company as at that date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

LETTER FROM THE BOARD



Virscend Education Company Limited

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

Executive Directors:

Ms. Wang Xiaoying (*Chairwoman of the Board*)

Mr. Yan Yude

Mr. Ye Jiayu

Mr. Deng Bangkai

Registered Office:

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. Sit Chiu Wing

Mr. Chan Kim Sun

Mr. Wen Ruizheng

Corporate headquarters:

No. 23 He Xin Lu

Pidu District

Chengdu

The PRC

Principal Place of Business in

Hong Kong:

40/F, Dah Sing Financial Centres

No. 248 Queen's Road East

Wanchai

Hong Kong

14 September 2021

To the Shareholders,

Dear Sir or Madam,

**PROPOSED DECLARATION AND PAYMENT OF
INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed declaration and payment of the Interim Dividend out of the Share Premium Account.

A notice convening the EGM, at which resolution will be proposed to the Shareholders to consider and, if thought fit, approve the aforesaid matter, is set out on pages 7 to 9 of this circular.

LETTER FROM THE BOARD

2. PROPOSED DECLARATION AND PAYMENT OF INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

As announced by the Company in its announcement dated 30 August 2021 regarding the unaudited financial results of the Group for the six months ended 30 June 2021, the Board recommended the payment of the Interim Dividend of HK\$0.019 per Share, subject to the approval of Shareholders at the EGM by way of an ordinary resolution. Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the payment of the Interim Dividend out of the Share Premium Account” below, the Interim Dividend is intended to be paid entirely out of the Share Premium Account pursuant to the Articles and in accordance with the Cayman Companies Law.

As at 30 June 2021, based on the unaudited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account amounted to approximately RMB913,438,000. The Board proposed to use an amount of approximately HK\$58,686,459 (approximately RMB48,809,528) standing to the credit of the Share Premium Account for the payment of the Interim Dividend. Following the payment of the Interim Dividend on the basis of 3,088,761,000 Shares in issue as at the Latest Practicable Date, there will be a remaining balance of approximately RMB864,628,472 standing to the credit of the Share Premium Account.

Conditions of the payment of the Interim Dividend out of the Share Premium Account

The payment of the Interim Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Interim Dividend out of the Share Premium Account; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Interim Dividend is paid, unable to pay its liabilities as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Interim Dividend will be paid in cash on or around 20 December 2021 to those Shareholders whose names appear on the register of members of the Company at close of business on 26 November 2021, being the record date of determination of entitlements of the Interim Dividend.

Reasons for payment of the Interim Dividend out of the Share Premium Account

The Board considers it unnecessary to maintain the Share Premium Account at its current level. In recognition of the Shareholders’ support, the Directors consider that the declaration and payment of the Interim Dividend out of the Share Premium Account is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Effect of the payment of the Interim Dividend out of the Share Premium Account

The implementation of the payment of the Interim Dividend out of the Share Premium Account does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the immaterial expenses incurred as a result of the payment of the Interim Dividend, the Directors consider that the payment of the Interim Dividend out of the Share Premium Account will not have any material adverse effect on the financial position of the Group.

Closure of register of members

For the purpose of ascertaining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 16 November 2021 to 19 November 2021, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 15 November 2021.

For the purpose of ascertaining the entitlement to the Interim Dividend, the register of members of the Company will be closed from 25 November 2021 to 26 November 2021, both days inclusive, during which period no transfer of the Shares will be registered. In order to qualify for the Interim Dividend, all transfer of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 24 November 2021.

3. EGM AND PROXY ARRANGEMENT

A notice of the EGM is set out on pages 7 to 9 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting in respect of the ordinary resolution to be proposed at the EGM.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able or intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch 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 and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. before 3:00 p.m. on 17 November 2021) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned thereof should you so wish.

LETTER FROM THE BOARD

4. VOTING BY POLL AT EGM

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Articles, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the 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 the EGM 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 is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

5. RECOMMENDATION

The Directors consider that the proposed declaration and payment of the Interim Dividend out of the Share Premium Account is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

6. RESPONSIBILITY STATEMENT

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

Yours faithfully,
For and on behalf of the Board
Virscend Education Company Limited
Wang Xiaoying
Chairwoman

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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Virscend Education Company Limited

成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1565)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of Virscend Education Company Limited (the “Company”) will be held at Room 105, No. 23 He Xin Lu, Pidu District, Chengdu, Sichuan Province, the People’s Republic of China (the “PRC”) on 19 November 2021 at 3:00 p.m. for the following purposes:

To consider and, if thought fit, pass with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

“THAT:

- (1) the declaration and payment of an interim dividend of HK\$0.019 per ordinary share out of the share premium account of the Company (the “**Interim Dividend**”) to the shareholders of the Company whose names appear on the register of members of the Company on the record date fixed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company for determining the entitlements to the Interim Dividend be and is hereby approved.
- (2) the Directors be and are hereby authorised to take such action, do such things and execute such further documents as the Directors may at their absolute discretion consider necessary or desirable for the purpose of or in connection with the payment of the Interim Dividend.”

By Order of the Board
Virscend Education Company Limited
Wang Xiaoying
Chairwoman

Hong Kong, 14 September 2021

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Registered Office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

40/F, Dah Sing Financial Centres
No. 248 Queen's Road East
Wanchai
Hong Kong

Corporate headquarters:

No. 23 He Xin Lu
Pidu District
Chengdu
The PRC

Notes:

1. A member of the Company entitled to attend and vote at the EGM shall be entitled to appoint one or more proxies (if he is a holder of two or more shares of the Company) to attend and vote in his/her stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the EGM and voting in person should he so wish. In such event, his/her form of proxy will be deemed to have been revoked.
2. Where there are joint holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/her was solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall stand alone be entitled to vote in respect thereof.
3. To be effective, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch 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 and in any event not later than 48 hours before the time for holding the EGM (i.e. before 3:00 p.m. on 17 November 2021) or any adjournment thereof. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date.
4. To ascertain the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 16 November 2021 to 19 November 2021, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 15 November 2021.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

5. To ascertain the entitlement to the Interim Dividend, the register of members of the Company will be closed from 25 November 2021 to 26 November 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Interim Dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 24 November 2021.
6. If typhoon signal no. 8 or above, or a "black" rainstorm warning is hoisted or remains hoisted at 10:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on The Stock Exchange of Hong Kong Limited's website at www.hkexnews.hk and the Company's website at www.virscendeducation.com to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
7. All the resolutions at the EGM will be taken by poll pursuant to Rule 13.39 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and article 66 of the Articles of Association of the Company. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

As at the date of this notice, the executive Directors are Ms. Wang Xiaoying (Chairwoman of the Board), Mr. Yan Yude, Mr. Ye Jiayu and Mr. Deng Bangkai; and the independent non-executive Directors are Mr. Sit Chiu Wing, Mr. Chan Kim Sun and Mr. Wen Ruizheng.