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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 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 Beststudy Education Group, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China Beststudy Education Group
卓越教育集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3978)

**PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Beststudy Education Group to be held at Floor 35 , No. 33 Zhong Shan San Road, Yue Xiu District, Guangzhou, PRC on Friday, 14 May 2021 at 2:30 p.m. is set out on pages 18 to 22 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.beststudy.com>).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it 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 but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. before 2:30 p.m. on Wednesday, 12 May 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 Annual General Meeting if they so wish. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the Annual General Meeting in person.**

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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 Floor 35 , No. 33 Zhong Shan San Road, Yue Xiu District, Guangzhou, PRC on Friday, 14 May 2021 at 2:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 22 of this circular, or any adjournments thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended or supplemented from time to time
“Company”	China Beststudy Education Group 卓越教育集團*, a company incorporated in the Cayman Islands as an exempted company with limited liability on 27 August 2010, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular
“Listing Date”	27 December 2018, being the date of listing of the Shares on the Main Board of the Stock Exchange

* For identification purpose only

DEFINITIONS

“Latest Practicable Date”	7 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 12 December 2018
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of US\$0.00005 each in the share capital of the Company
“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 RMB248,380,000 as at 31 December 2020 based on the audited consolidated financial statements of the Company as at that date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“%”	per cent



China Beststudy Education Group
卓越教育集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3978)

Executive Directors:

Junjing Tang (*Chairman*)
Junying Tang
Gui Zhou

Non-executive Director:

Wenhui Xu

Independent Non-executive Directors:

Yingmin Wu
Yu Long
Peng Xue

Registered Office:

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman, KY1-1002
Cayman Islands

Headquarters and Principal Place of

Business in the PRC:

35/F, Tower B
China International Center
No. 33 Zhongshansan Road
Yuexiu District, Guangzhou
Guangdong, PRC

Principal Place of Business in Hong Kong:

Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

15 April 2021

To the Shareholders

Dear Sir/Madam,

**PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

* *For identification purpose only*

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting.

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

As announced by the Company in its announcement dated 25 March 2021 regarding the annual results of the Group for the year ended 31 December 2020, the Board recommended the payment of a final dividend of HK\$5.5 cents per Share, subject to the approval of Shareholders at the Annual General Meeting by way of an ordinary resolution. The final dividend is intended to be paid entirely out of the Share Premium Account pursuant to the Articles of Association and in accordance with the Cayman Companies Law. As at 31 December 2020, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account amounted to approximately RMB248,380,000. The Board proposed to use an amount of approximately RMB39,272,000 standing to the credit of the Share Premium Account for the payment of the final dividend. Following the payment of the final dividend on the basis of 847,221,000 Shares in issue as at the Latest Practicable Date, there will be a remaining balance of approximately RMB209,108,000 standing to the credit of the Share Premium Account.

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

The payment of the final 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 approving the declaration and payment of the final dividend out of the Share Premium Account pursuant to the Articles of Association; 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 final dividend is paid, unable to pay its liabilities as they fall due in the ordinary course of business. The conditions set out above cannot be waived. If such conditions are not satisfied, the final dividend will not be paid.

Subject to the fulfilment of the above conditions, it is expected that the final dividend will be paid in cash on or about Thursday, 3 June 2021 to the qualifying Shareholders whose names appear on the register of members of the Company at close of business on Thursday, 20 May 2021, being the record date for determination of entitlements to the final dividend.

LETTER FROM THE BOARD

Reasons for payment of the Final 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 final dividend out of the Share Premium Account is in the interests of the Company and its Shareholders as a whole.

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

The implementation of the payment of the final dividend out of the Share Premium Account does not involve any reduction in the authorized 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 final dividend, the Directors consider that the payment of the final dividend out of the Share Premium Account will not have any material adverse effect on the financial position of the Group.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, namely Mr. Junjing Tang, Mr. Junying Tang, Mr. Gui Zhou, Mr. Wenhui Xu, Mr. Yingmin Wu, Ms. Yu Long and Mr. Peng Xue. In accordance with Article 109 of the Articles of Association, at each annual general meeting, 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. Accordingly, Mr. Junjing Tang, Mr. Gui Zhou and Mr. Peng Xue shall retire by rotation at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the above retiring Directors are set out in Appendix I to this circular, which indicates how the Directors to be elected contribute to the diversity of the Board.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular (i.e. a total of 169,444,200 Shares on the basis that the total number of existing issued Shares of the Company (847,221,000 Shares) remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate will also be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

5. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular (i.e. a total of 84,722,100 Shares based on 847,221,000 Shares in issue as at the Latest Practicable Date and on the basis that such number of Shares in issue remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 18 to 22 of this circular.

Pursuant to the Listing Rules and Article 72 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.beststudy.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority 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 but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. before 2:30 p.m. on Wednesday, 12 May 2021) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the Annual General Meeting in person.**

LETTER FROM THE BOARD

7. PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the Annual General Meeting against the epidemic to protect the Shareholders from the risk of infection:

- (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the meeting venue;
- (ii) every Shareholder or proxy is required to wear surgical face mask throughout the meeting;
- (iii) no souvenirs will be provided; and
- (iv) no refreshments will be served.

8. RECOMMENDATION

The Directors consider that the proposed declaration and payment of final dividend out of share premium account, the proposed re-election of retiring Directors and granting of the Repurchase Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Board

Junjing Tang

Chairman, Chief Executive Officer and Executive Director

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. Junjing Tang

Position and Experience

Mr. Junjing Tang (唐俊京), aged 51, is an executive Director, the chairman of the Board and the chief executive officer, being responsible for the overall development, operation and management of the Company. Mr. Junjing Tang co-founded the Group as a key senior management member of Guangzhou Beststudy Training Center (廣州卓越教育培訓中心) (formerly known as “Guangzhou Beststudy Tuition Center (廣州卓越教育補習中心)” from June 1998 to September 2000) in October 1997. He was appointed as a Director on 27 August 2010 and designated as an executive Director on 13 June 2018, and was appointed as the chairman of the Board and the chief executive officer on 13 June 2018. He has served as a director and the chairman of the board of directors of Guangzhou Beststudy Educational Co., Ltd. (廣州市卓越里程教育科技有限公司) (“Guangzhou Beststudy”) since July 2000 and served as the principal of Guangzhou Beststudy Training Center from October 1997 to June 2000. Mr. Junjing Tang has over 22 years’ experience in the PRC education industry.

Mr. Junjing Tang has also served as the chairman of the board of directors of Huoerguosi Lexue Venture Capital Investment Co., Ltd. (霍爾果斯樂學創業投資有限公司) since December 2016. Prior to founding the Group, Mr. Junjing Tang served as the manager of Guangzhou Riya Advertising Co., Ltd. (廣州市瑞雅廣告有限公司), which is primarily engaged in advertisement business from July 1994 to September 1997.

Mr. Junjing Tang obtained a master’s degree in business administration from China Europe International Business School (中歐國際工商學院) and a bachelor’s degree in international finance from Shenzhen University (深圳大學) in October 2011 and June 1993, respectively.

Save as disclosed above, Mr. Junjing Tang has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Mr. Junjing Tang has entered into a service agreement with the Company. The initial term of his service contract commenced from the date of his appointment and was renewed on 1 April 2021 for a period of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months’ prior notice in writing.

Relationships

Mr. Junjing Tang is the brother of Mr. Junying Tang, an executive Director and a senior vice president of the Company. Save as disclosed above, he does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules.

Interests in Shares

As at the Latest Practicable Date, Mr. Junjing Tang was interested in a total of 459,098,231 Shares, representing approximately 54.19% of the total number of Shares in issue. Mr. Junjing Tang beneficially owned interests in 1,323,000 Shares. Pursuant to the SFO, Mr. Junjing Tang is deemed to be interested in (i) 171,165,101 Shares held by JTC Trustees (BVI) Limited (a trust which Mr. Junjing Tang is the settlor); (ii) 143,510,888 Shares held by JTC Trustees (BVI) Limited (a trust which Mr. Junying Tang is the settlor); and (iii) 841,000 Shares beneficially owned by Mr. Gui Zhou and 142,258,242 Shares held by JTC Trustees (BVI) Limited (a trust which Mr. Gui Zhou is the settlor), as he, Mr. Junying Tang and Mr. Gui Zhou are parties acting in concert.

Director's emoluments

Save as disclosed above, for the financial year ended 31 December 2020, based on the remuneration policy of the Company, Mr. Junjing Tang received RMB1,218,000 as director's emoluments, among which, RMB1,063,000 is remuneration, allowances and other benefits in kind; RMB115,000 is the discretionary bonus; and RMB40,000 is pension scheme contribution.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is disclosable nor is Mr. Junjing Tang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Junjing Tang that need to be brought to the attention of the Shareholders.

(2) Mr. Gui Zhou (周貴)*Position and Experience*

Mr. Gui Zhou (周貴), aged 48, is an executive Director, a senior president, being responsible for the overall management of the Company, administrative management, Elite Talent Program and strategic cooperation. Mr. Gui Zhou co-founded the Group as a senior management member of Guangzhou Beststudy Training Center in October 1997. He was appointed as a Director on 21 January 2011 and designated as an executive Director on 13 June 2018. Mr. Gui Zhou has over 22 years' experience in the PRC education industry.

Mr. Gui Zhou has also served as a director of Huoerguosi Lexue Venture Capital Investment Co., Ltd. since December 2016. From July 1994 to September 1997, he served as a deputy manager of Guangzhou Ruiya Advertisement Co., Ltd. Mr. Gui Zhou obtained an executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商學院) and a bachelor's degree in international trade from Sun Yat-Sen University in October 2012 and June 1994, respectively.

Save as disclosed above, Mr. Gui Zhou has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Mr. Gui Zhou has entered into a service agreement with the Company. The initial term of his service contract commenced from the date of his appointment and was renewed on 1 April 2021 for a period of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

Relationships

Mr. Gui Zhou does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules.

Interests in Shares

As at the Latest Practicable Date, Mr. Gui Zhou was interested in a total of 459,098,231 Shares, representing approximately 54.19% of the total number of Shares in issue. Mr. Gui Zhou beneficially owned interests in 841,000 Shares. Pursuant to the SFO, Mr. Junjing Tang is deemed to be interested in (i) 1,323,000 Shares beneficially owned by Mr. Junjing Tang and 171,165,101 Shares held by JTC Trustees (BVI) Limited (a trust where Mr. Junjing Tang is the settlor); (ii) 143,510,888 Shares held by JTC Trustees (BVI) Limited (a trust where Mr. Junying Tang is the settlor) and (iii) 142,258,242 Shares held by JTC Trustees (BVI) Limited (a trust where Mr. Gui Zhou is the settlor), as he, Mr. Junjing Tang and Mr. Junying Tang are parties acting in concert.

Director's emoluments

For the financial year ended 31 December 2020, based on the remuneration policy of the Company, Mr. Gui Zhou received RMB1,214,000 as director's emoluments, among which, RMB1,060,000 is remuneration, allowances and other benefits in kind; RMB114,000 is the discretionary bonus; and RMB40,000 is pension scheme contribution.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is disclosable nor is Mr. Gui Zhou involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Gui Zhou that need to be brought to the attention of the Shareholders.

(3) Mr. Peng Xue (薛鵬)

Position and Experience

Mr. Peng Xue (薛鵬), aged 50, is an independent non-executive Director, being responsible for supervising and providing independent judgment to the Board. Mr. Xue was appointed as an independent non-executive Director on 3 December 2018. Mr. Xue has 22 years' experience in corporate finance.

Mr. Xue has been a joint company secretary of SITC International Holdings Company Limited (海豐國際控股有限公司) ("SITC," together with its subsidiaries, "SITC Group"), a company listed on the Main Board of the Stock Exchange (stock code: 1308), since May 2013. He has been as the general manager of the operations management center of SITC International Holdings Company Limited since July 2017 and was appointed as an executive director and a joint company secretary of SITC in April 2010 and May 2013 respectively. From January 2008 to May 2013, he served as the chief financial officer of SITC. He has been the director of SITC since 2008.

Between April 2006 and January 2008, Mr. Xue served as the financial manager of SITC Group Company Limited and SITC Shipping Agency (HK) Company Limited (新海豐船務代理(香港)有限公司). Between April 2006 and January 2008, he served as the general manager of the finance department of SITC Group Company Limited, and he served as the deputy general manager of the finance center of SITC Maritime Group Co., Ltd. (山東海豐國際航運集團有限公司) from January 2003 to April 2006. Between February 2002 and January 2003, he served as the general manager of the supervision department in SITC Maritime Group Co., Ltd. From March 1999 to February 2002, he served as the finance manager of SITC Japan Co., Ltd. Between January 1998 and March 1999, he served as a financial manager in SITC Container Lines (Shandong) Co., Ltd. (山東省海豐船務有限公司) and SITC Maritime Group Co., Ltd..

Mr. Xue obtained a Master's degree in Corporate Governance by Hong Kong Open University (香港公開大學) in 2019, and he was also qualified the fellowship of the Hong Kong Institute of Chartered Secretaries and the Chartered Governance Professional. He obtained an undergraduate degree in accounting from Renmin University of China (中國人民大學) in September 2006 by attending distance courses. In October 2011, he obtained a master's degree in business administration from China Europe International Business School (中歐國際工商學院). He also enrolled and attended the Master of Corporate Governance course which was jointly organised by Hong Kong Open University and East

China University of Science and Technology (華東理工大學) since September 2016. In May 2004, he obtained the qualification as an intermediate accountant granted by the Ministry of Personnel of the People's Republic of China (中華人民共和國人事部). He graduated from Shandong Province Foreign Trade and Economic University (山東省對外貿易經濟學校) in 1991 majoring in financial accounting, and graduated from Shandong University of Economics (山東經濟學院) in 1997 majoring in accounting.

Save as disclosed above, Mr. Peng Xue has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Mr. Peng Xue has entered into an appointment letter with the Company. The initial term of his service commenced from the date of his appointment and was renewed on 1 April 2021 for a period of three years, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

Relationships

Mr. Peng Xue does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the Listing Rules.

Interests in Shares

As at the Latest Practicable Date, Mr. Peng Xue was not interested in shares in the Company pursuant to Part XV of the SFO.

Director's emoluments

For the financial year ended 31 December 2020, based on the remuneration policy of the Company, Mr. Peng Xue received RMB132,000 as director's emoluments.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

Save as disclosed above, there is no information which is disclosable nor is Mr. Peng Xue involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) and there are no other matters concerning Mr. Peng Xue that need to be brought to the attention of the Shareholders.

NOMINATION POLICY AND PROCEDURE FOR INDEPENDENT NON-EXECUTIVE DIRECTORS

Where vacancies on the Board exist, the Nomination Committee evaluates skills, knowledge and experience required by the Board, and identifies if there are any special requirements for the vacancy.

The Nomination Committee identifies appropriate candidates and convenes Nomination Committee meeting to discuss and vote in respect of the nominated Directors, and recommends candidates for Directors to the Board. In reviewing the structure of the Board, the Nomination Committee will consider the Board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and term of service. All Board appointments will be based on meritocracy, and candidates will be considered against criteria including talents, skills and experience as may be necessary for the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition, and where nomination of independent non-executive Directors is under consideration, the requirements of Rule 3.13 of the Listing Rules shall be satisfied.

The Nomination Committee is of the view that the election of Mr. Peng Xue as an independent non-executive Director will further complement the Company's corporate strategy, and promote the Board diversity.

In view of the above, on 25 March 2021, the Nomination Committee nominated Mr. Peng Xue for the Board to recommend him to be elected by Shareholders at the Annual General Meeting.

The Board considers that Mr. Peng Xue has many years of experience in corporate finance and has made significant contributions. The Nomination Committee is satisfied that Mr. Peng Xue has the required character, integrity and experience to continuously fulfill his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole. Moreover, Mr. Peng Xue has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Board also considers that Mr. Peng Xue meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 847,221,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 847,221,000 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 84,722,100 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR REPURCHASE

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

3. FUNDING OF REPURCHASE

Purchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange 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. As a matter of the Cayman Islands law, any repurchases by the Company may be made out of the Company's profits or the Company's share premium account, or out of the proceeds of a new issue of shares made for the purpose of the repurchase, or, if so authorised by the Articles of Association of the Company, out of capital. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of the profits of the Company, or from sums standing to the credit of the Company's share premium account, or, if so authorised by the Articles of Association of the Company, out of capital.

4. IMPACT OF REPURCHASE

There might not be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2020) in the event

that the Repurchase Mandate was 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 of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES*

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during the 12 calendar months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2020		
April	3.680	3.310
May	4.500	3.360
June	4.090	3.380
July	3.730	2.920
August	3.830	3.080
September	3.550	3.070
October	3.490	2.820
November	3.240	2.820
December	3.000	2.680
2021		
January	3.100	2.550
February	2.970	2.610
March	2.950	2.530
April (up to the Latest Practicable Date)	2.800	2.660

**Note: The data source of share prices was from Yahoo Finance.*

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE AND MINIMUM PUBLIC SHAREHOLDING

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 of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Junjing Tang, Mr. Junying Tang and Mr. Gui Zhou, being parties acting in concert and the controlling shareholders of the Company, were jointly interested in a total of 459,098,231 Shares representing approximately 54.19% of the total issued share capital of the Company by virtue of the SFO. In the event that the Directors exercise the proposed Repurchase Mandate in full, the shareholding of Mr. Junjing Tang, Mr. Junying Tang and Mr. Gui Zhou as a group would be increased to approximately 60.21% of the issued share capital of the Company.

The Directors consider that such increase would not give rise to an obligation on them to make a mandatory offer under Rule 26 of the Takeovers Code but would reduce the percentage of Shares held by the public to less than 25% of the Company's total issued share capital. The Directors have no intention to exercise the Repurchase Mandate to such an extent as may result in the public shareholding falling below the minimum public float requirement and will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

8. REPURCHASES MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, the Company repurchased Shares on the Stock Exchange for an aggregate consideration of approximately HK\$6,807,270 including expenses. The repurchased Shares have been cancelled on the Latest Practicable Date. The repurchase was effected because the Board considered that the trading price of the Shares does not reflect their intrinsic value and this presents a good opportunity for the Company to repurchase the Shares, thereby enhancing the value of Shares and improving return to shareholders of the Company.

APPENDIX II	EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE
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Details of the Shares repurchased during the six months immediately preceding the Latest Practicable Date are as follows:

Date of repurchase	No. of shares repurchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Aggregate Consideration⁽¹⁾ (HK\$)
18 January 2021	1,103,000	2.760	2.620	2,944,390
19 January 2021	892,000	2.810	2.700	2,458,120
20 January 2021	483,000	2.800	2.770	1,344,610
22 January 2021	<u>21,000</u>	2.900	2.850	<u>60,150</u>
Total	<u>2,499,000</u>			<u>6,807,270</u>

Note:

(1) Aggregate consideration inclusive of expenses.

Save as disclosed above, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



China Beststudy Education Group 卓越教育集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3978)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of China Beststudy Education Group (the “Company”) will be held at Floor 35 , No. 33 Zhong Shan San Road, Yue Xiu District, Guangzhou, PRC on Friday, 14 May 2021 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2020.
2. To declare and approve payment of a final dividend of HK\$5.5 cents per ordinary share for the year ended 31 December 2020 from the share premium account of the Company.
3.
 - (a) To re-elect Mr. Junjing Tang as an executive director of the Company.
 - (b) To re-elect Mr. Gui Zhou as an executive director of the Company.
 - (c) To re-elect Mr. Peng Xue as an independent non-executive director of the Company.
 - (d) To authorize the board of directors of the Company to fix the remuneration of directors of the Company.
4. To re-appoint Ernst & Young as auditors and to authorize the board of directors to fix auditors’ remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) 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 if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) 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 date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) an issue of shares pursuant to the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities which carry rights to subscribe for or are convertible into shares;
- (iii) the exercise of options under a share option scheme of the Company; and
- (iv) any scrip dividend scheme or similar arrangement 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,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; 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 date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register 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 laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By Order of the Board

Junjing Tang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 15 April 2021

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the above meeting in person, and the board of directors of the Company respectfully requests that, for the same reason, the shareholders to appoint the chairman of the above meeting as their proxy rather than a third party to attend and vote on their behalf at the above meeting (or any adjournment thereof).**
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney 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 not less than 48 hours before the time appointed for the holding of the meeting (i.e. before 2:30 p.m. on Wednesday, 12 May 2021) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Tuesday, 11 May 2021 to Friday, 14 May 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents 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 Monday, 10 May 2021.

NOTICE OF ANNUAL GENERAL MEETING

5. For the purpose of determining the Shareholders' entitlement to the proposed final dividend for the year ended 31 December 2020, the Register of Members of the Company will be closed from Friday, 21 May 2021 to Tuesday, 25 May 2021, both days inclusive and during which period no share transfer will be effected, In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, 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 Thursday, 20 May 2021.
6. A circular containing further details concerning items 3, 5, 6 and 7 set out in the above notice will be sent to all shareholders of the Company together with the 2020 Annual Report.
7. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at or after 2:30 p.m. on 14 May 2021, the above meeting will not be held on 14 May 2021 but will be held on the first Business Day immediately after that date at the same time and place at 2:30 p.m..
8. Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the above meeting against the epidemic to protect the shareholders of the Company from the risk of infection:
 - (i) compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the meeting venue;
 - (ii) every shareholder or proxy is required to wear surgical face mask throughout the meeting;
 - (iii) no souvenirs will be provided; and
 - (iv) no refreshments will be served.