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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
THE SHARE PREMIUM ACCOUNT UNDER RESERVES 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 Conference Room, 12/F, 65 Xianlie Middle Road, Yuexiu District, Guangzhou, Guangdong, PRC on Thursday, 16 May 2024 at 2:30 p.m. is set out on pages 20 to 24 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 Tuesday, 14 May 2024) 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.

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	5
2. Proposed Declaration and Payment of Final Dividend out of the Share Premium Account under Reserves	5
3. Proposed Re-election of Retiring Directors	6
4. Proposed Granting of General Mandate to Issue Shares	7
5. Proposed Granting of General Mandate to Repurchase Shares	7
6. Annual General Meeting and Proxy Arrangement.....	8
7. Recommendation	8
 Appendix I — Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	 9
 Appendix II — Explanatory Statement on the Repurchase Mandate	 15
 Notice of Annual General Meeting	 20

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 Conference Room, 12/F, 65 Xianlie Middle Road, Yuexiu District, Guangzhou, Guangdong, PRC on Thursday, 16 May 2024 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 20 to 24 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 of the Company
“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

* For identification purpose only

DEFINITIONS

“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 20 to 24 of this circular
“Latest Practicable Date”	14 April 2024, 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 of Hong Kong Limited
“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 20 to 24 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)

DEFINITIONS

“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB208.71 million as at 31 December 2023 based on the audited consolidated financial statement 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

LETTER FROM THE BOARD



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
Weiyang Guan

Non-executive Directors:

Wenhui Xu
Wai Ng

Independent Non-executive Directors:

Yu Long
Caihe Lin
Jun Gan

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:*

11/F, 65 Xianlie Middle 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

24 April 2024

To the Shareholders

Dear Sir/Madam,

**PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND OUT OF
THE SHARE PREMIUM ACCOUNT UNDER RESERVES 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 UNDER RESERVES

Reference is made to the announcement of the Company dated 27 March 2024 regarding the annual results of the Group for the year ended 31 December 2023, the Board recommended the payment of a final dividend of HK\$3.5 cents (2022: nil) per ordinary share for the year ended 31 December 2023, out of the share premium account of the Company, accounting for approximately 30.0% of profit and total comprehensive income for the year, with an aggregate amount of approximately RMB26.9 million (2022: nil), 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 under reserves pursuant to the Articles of Association and in accordance with the Cayman Companies Act. As at 31 December 2023, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account under reserves amounted to approximately RMB208,710,000. The Board proposed to use an amount of approximately RMB26,894,000 standing to the credit of the Share Premium Account under reserves 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 RMB181,816,000 standing to the credit of the Share Premium Account under reserves.

Conditions of the Payment of the Final Dividend out of the Share Premium Account under Reserves

The payment of the final dividend out of the Share Premium Account under reserves 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 under reserves 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.

LETTER FROM THE BOARD

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 around 6 June 2024 to Shareholders whose names appear on the register of members of the Company on 27 May 2024.

Reasons for Payment of the Final Dividend out of the Share Premium Account under Reserves

The Board considers it unnecessary to maintain the Share Premium Account under reserves 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 under reserves 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 under Reserves

The implementation of the payment of the final dividend out of the Share Premium Account under reserves 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 final dividend, the Directors consider that the payment of the final dividend out of the Share Premium Account under reserves 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 nine Directors, namely Mr. Junjing Tang, Mr. Junying Tang, Mr. Gui Zhou, Ms. Weiyong Guan, Mr. Wenhui Xu, Mr. Wai Ng, Ms. Yu Long, Mr. Caihe Lin and Mr. Jun Gan.

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. Junying Tang, Ms. Weiyong Guan and Mr. Wenhui Xu 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.

LETTER FROM THE BOARD

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 6 of the notice of the Annual General Meeting as set out on pages 20 to 24 of this circular (i.e. a total of 169,444,200 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). 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.

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 5 of the notice of the Annual General Meeting as set out on pages 20 to 24 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.

LETTER FROM THE BOARD

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 20 to 24 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 Tuesday, 14 May 2024) 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.

7. RECOMMENDATION

The Directors consider that the proposed declaration and payment of final dividend out of the Share Premium Account under reserves, 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 as a whole. 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

China Beststudy Education Group

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.

Executive Directors

(1) *Mr. Junying Tang (唐俊膺)*

Position and Experience

Mr. Junying Tang, aged 54, is an executive Director and a senior vice president, being responsible for the overall management of our Company and for the overall operation and management of the Innovative Business Division. Mr. Junying Tang was appointed as a Director on 21 January 2011 and designated as an executive Director on 13 June 2018. Mr. Junying Tang co-founded our Group as a key senior management member of Guangzhou Beststudy Training Centre in October 1997. He was the legal representative of Guangzhou Beststudy Training Centre from March 1999 to March 2000. Mr. Junying Tang has over 26 years' experience in the PRC education industry.

Mr. Junying Tang has also served as a director of Huoerguosi Lexue Venture Capital Investment Co., Ltd. since December 2016. Prior to co-founding our Group, Mr. Junying Tang served as a deputy manager of Guangzhou Riya Advertising Co., Ltd. from July 1994 to September 1997. Mr. Junying Tang obtained an executive master's degree in business administration from Peking University (北京大學) and a bachelor's degree in international trade from Sun Yat-Sen University (中山大學) in July 2012 and July 1993, respectively.

Save as disclosed above, Mr. Junying Tang i) does not hold any other positions with the Company and other members of the Group, ii) does not hold 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, and iii) does not have any other major appointments or professional qualifications.

Relationships

Mr. Junying Tang is the brother of Mr. Junjing Tang, an executive Director, the chairman of the Board and the chief executive officer 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.

Length of service

Mr. Junying 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 2024 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.

Interests in Shares

As at the Latest Practicable Date, Mr. Junying Tang was interested in a total of 143,560,888 Shares, representing approximately 16.94% of the total number of Shares in issue. These shares consisted of (i) 143,510,888 Shares held by JTC Trustees (BVI) Limited, which is a trust that Mr. Junying Tang is the settlor and Mr. Junying Tang is deemed to be interested in these shares pursuant to Part XV of the SFO; and (ii) 50,000 Shares directly held by Mr. Junying Tang.

Director's emoluments

Pursuant to the service agreement that Mr. Junying Tang enters into with the Company and based on the remuneration policy of the Company, Mr. Junying Tang received RMB1,595,000 as director's emoluments, among which, RMB1,553,000 is remuneration, allowances and other benefits in kind; and RMB42,000 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. Junying 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. Junying Tang that need to be brought to the attention of the Shareholders.

(2) *Ms. Weiyang Guan (關瑋瑩)*

Position and Experience

Ms. Weiyang Guan, aged 54, is an executive Director and a senior vice president, being responsible for the overall operation and management of the business division of elegant learning program. Ms. Guan joined our Group in February 2009 and was appointed as a senior vice president of the Company on 1 March 2023. Since September 2017, she has been served as the vice president of Guangzhou Beststudy Educational Co. Ltd. (“**Guangzhou Beststudy**”), which is a subsidiary of the Company. From February 2009 to August 2017, she served as the marketing director of the Group, as well as the principal of our Dongguan school and Guangzhou school. Prior to joining our Group, from July 1993 to October 2005, Ms. Guan worked in Akzo Nobel Swire Paints (Guangzhou) Limited (阿克蘇諾貝爾太古漆油 (廣州) 有限公司), which is primarily engaged in paints production, and was its marketing director for Thailand region when she left the company. From February 2006 to December 2007, she served as a marketing manager of Taikoo Hui (Guangzhou) Development Co., Ltd. (太古匯 (廣州) 發展有限公司), a real property developer.

Ms. Weiyang Guan obtained a master’s degree in business administration from Jinan University (暨南大學) in June 2001 and a bachelor’s degree in international trade from Sun Yat-sen University in July 1993.

Save as disclosed above, Ms. Weiyang Guan i) does not hold any other positions with the Company and other members of the Group, ii) does not hold 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, and iii) does not have any other major appointments or professional qualifications.

Length of service

Ms. Weiyang Guan has entered into a service agreement with the Company. The initial term of her service contract commenced from the date of her appointment 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.

Director's emoluments

Pursuant to the service agreement that Ms. Weiyong Guan enters into with the Company, the Company will not pay remuneration to Ms. Guan in respect of her duties as an executive Director. However, the Company shall have the absolute discretion to pay Ms. Guan from time-to-time discretionary remuneration or bonus, if any, as the Company may determine.

Interests in Shares

As at the Latest Practicable Date, Ms. Weiyong Guan confirms that she holds 9,389,751 shares of the Company, representing approximately 1.11% of the total number of Shares in issue. These shares consisted of (i) 9,319,751 Shares held by Crouching Tiger Holdings Limited, which is wholly-owned by Ms. Guan and Ms. Guan is deemed to be interested in these Shares pursuant to Part XV of the SFO; and (ii) 70,000 Shares directly held by Ms. Guan.

Relationships

Ms. Weiyong Guan 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.

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 Ms. Weiyong Guan 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 Ms. Guan that need to be brought to the attention of the Shareholders.

Non-executive Director**(3) Mr. Wenhui Xu (徐文輝)***Position and Experience*

Mr. Wenhui Xu, aged 54, is a non-executive Director, being responsible for overseeing the corporate development and strategic planning of our Group. Mr. Xu joined our Group in January 2011, serving as a director of Guangzhou Beststudy since then. He was appointed as a Director on 21 January 2011 and re-designated as a non-executive Director on 13 June 2018. Mr. Xu has over 20 years' experience in corporate finance and corporate management.

Mr. Wenhui Xu has served as an executive director and the general manager of Tibet Zhuohe Chuangye Equity Investment Management Co., Ltd. (西藏卓合創業投資管理有限公司) since June 2016. He has served as a director of Sichuan Great Wall Software Technology Co., LTD (四川長城軟件科技股份有限公司), a company quoted on NEEQ (stock code: 430426), which is primarily engaged in software development and system integration since January 2012. He has served as a director of Laoniangjiu Catering Co., Ltd. (老娘舅餐飲有限公司), a Chinese style fast-food chain restaurants operator, since March 2008. He has also served as a director of Shenzhen Daxin Investment Consulting Co., Ltd. (深圳市達鑫投資諮詢有限公司), which is primarily engaged in investment consultation, since June 2006. He served as an executive director of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司), a company currently listed on the main board of the Stock Exchange (stock code: 268) and primarily engaged in software development, from the listing of the company on GEM from February 2001 to March 2004.

Mr. Wenhui Xu obtained a master's degree in business administration from China Europe International Business School and a bachelor's degree in economics from Shenzhen University in September 2010 and June 1992, respectively. Mr. Xu passed the certified public accountant national unified examination (註冊會計師全國統一考試) organised by the Ministry of Finance of the PRC in April 1997. Mr. Xu became a member of the Shenzhen Institute of Certified Public Accountants (non-practising) in December 2009.

Save as disclosed above, Mr. Wenhui Xu i) does not hold any other positions with the Company and other members of the Group, ii) does not hold 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 and, iii) does not have any other major appointments or professional qualifications.

Length of service

Mr. Wenhui Xu has entered into an appointment letter with the Company. The initial term of his service contract commenced from the date of his appointment and was renewed on 1 April 2024 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. Wenhui Xu 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. Wenhui Xu was interested in 9,725,527 Shares, representing approximately 1.14% of the total number of Shares in issue. All the 9,725,527 shares are held by Commqua Holding Co. Ltd., which is wholly-owned by Mr. Xu. Mr. Xu is deemed to be interested in these Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the appointment letter entered into between the Company and Mr. Wenhui Xu, Mr. Xu is entitled to a total remuneration of HK\$120,000 per year for acting as a Director of the Company.

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. Wenhui Xu 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. Xu that need to be brought to the attention of the Shareholders.

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 total number of Share in issue was 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 authorised 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, 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, 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 2023) 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	0.840	0.720
May	0.950	0.710
June	0.790	0.660
July	0.790	0.710
August	0.800	0.680
September	0.800	0.680
October	0.840	0.650
November	0.850	0.660
December	2.280	0.730
2024		
January	1.980	0.950
February	2.810	1.130
March	3.430	2.380
April (up to the Latest Practicable Date)	3.230	2.550

**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 will 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. Neither this explanatory statement nor the proposed share repurchase has any unusual features.

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 an 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, the following Shareholders had interests representing 5% or more of the issued Shares:

Name of Shareholders	Capacity/ nature of interest	Number of Shares held/ interested	Approximate % of interest ⁺	
			As at the Latest Practicable Date	If the Repurchase Mandate is exercised in full
Mr. Junjing Tang ⁽¹⁾	Beneficial owner; Founder of a discretionary trust	172,697,101	20.38	22.65
Mr. Junying Tang ⁽²⁾	Beneficial owner; Founder of a discretionary trust	143,560,888	16.94	18.83

Name of Shareholders	Capacity/ nature of interest	Number of Shares held/ interested	Approximate % of interest ⁺	
			As at the Latest Practicable Date	If the Repurchase Mandate is exercised in full
Mr. Gui Zhou ⁽³⁾	Beneficial owner; Founder of a discretionary trust	143,149,242	16.89	18.77
Ms. Huang Yanyun ⁽⁴⁾	Spouse interest	172,697,101	20.38	22.65
Ms. Hua Yu ⁽⁵⁾	Spouse interest	143,560,888	16.94	18.83
Ms. Xiaoying Zhang ⁽⁶⁾	Spouse interest	143,149,242	16.89	18.77
Elite Education Investment Co. Ltd.	Beneficial owner	171,165,101	20.20	22.45
Jameson Ying Industrial Co. Ltd.	Beneficial owner	142,258,242	16.79	18.66
Texcellence Holding Company Limited	Beneficial owner	143,510,888	16.93	18.82
JTC TRUSTEES (BVI) LIMITED ⁽⁷⁾	Trustee	456,934,231	53.93	59.93
Soarise Bulex Limited ⁽⁸⁾	Nominee for another person (other than a bare trustee)	107,358,266	12.67	14.08
Ms. Shaoping Fu ⁽⁸⁾	Trustee	107,358,266	12.67	14.08

Notes:

- (1) Under the SFO, Mr. Junjing Tang is deemed to be interested in 171,165,101 Shares held by JTC Trustees (BVI) Limited, a trust which he is a founder.
- (2) Under the SFO, Mr. Junying Tang is deemed to be interested in 143,510,888 Shares held by JTC Trustees (BVI) Limited, a trust which he is a founder.
- (3) Under the SFO, Mr. Gui Zhou is deemed to be interested in 142,258,242 Shares held by JTC Trustees (BVI) Limited, a trust which he is a founder.
- (4) Ms. Yanyun Huang is the spouse of Mr. Junjing Tang and she is therefore deemed to be interested in the Shares in which Mr. Junjing Tang is interested by the virtue of the SFO.
- (5) Ms. Hua Yu is the spouse of Mr. Junying Tang and she is therefore deemed to be interested in the Shares in which Mr. Junying Tang is interested by the virtue of the SFO.
- (6) Ms. Xiaoying Zhang is the spouse of Mr. Gui Zhou and she is therefore deemed to be interested in the Shares in which Mr. Gui Zhou is interested by the virtue of the SFO.

- (7) JTC Trustees (BVI) Limited (in its capacity as the trustee of the trust) is the legal owner of all the shares in issued share capital of Elite Education Investment Co. Ltd., Texcellence Holding Company Limited and Jameson Ying Industrial Co. Ltd. respectively and the trustee of each of the family trust where Mr. Junjing Tang, Mr. Junying Tang and Mr. Gui Zhou are the settlors respectively.
- (8) Pursuant to the RSU Scheme, (i) 27,292,396 existing Shares were reserved; (ii) 43,540,000 new Shares were allotted and issued at par value to Soarise Bulex Limited on the Listing Date will be reserved for the vesting of restricted share units (“RSUs”) granted under the RSU Scheme; and (iii) 62,984,000 Shares were purchased by the trustee pursuant to the RSU Scheme as at the Latest Practicable Date. Ms. Shaoping Fu has been appointed as the trustee of the RSU Scheme and Soarise Bulex Limited has been appointed as the nominee of the RSU Scheme. To the extent permitted under applicable laws and regulations, the trustee shall procure the nominee to exercise the voting rights attached to the underlying Shares in accordance with the instructions of the Board. Out of the 107,358,266 Shares held by Soarise Bulex Limited, 12,349,642 Shares have been vested, pending transfer to the relevant grantees.
- + The percentage represents the number of ordinary Shares interested divided by the number of the issued Shares as at the Latest Practicable Date.

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

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 Conference Room, 12/F, 65 Xianlie Middle Road, Yuexiu District, Guangzhou, Guangdong, the People’s Republic of China on Thursday, 16 May 2024 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 of the Company for the year ended 31 December 2023.
2. To declare and approve payment of a final dividend of HK\$3.5 cents per share for the year ended 31 December 2023 out of the share premium account under reserves of the Company.
3.
 - (a) To re-elect Mr. Junying Tang as an executive director of the Company.
 - (b) To re-elect Ms. Weiying Guan as an executive director of the Company.
 - (c) To re-elect Mr. Wenhui Xu as a non-executive director of the Company.
 - (d) To authorise the board of directors of the Company to fix the remuneration of directors of the Company.
4. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and to authorise the board of directors of the Company to fix auditors’ remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

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;
- (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.”

NOTICE OF ANNUAL 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 authorise 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);
 - (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

NOTICE OF ANNUAL GENERAL MEETING

(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.

“Rights 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 recognised regulatory body or any stock exchange).”

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

China Beststudy Education Group

Junjing Tang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 24 April 2024

NOTICE OF ANNUAL GENERAL MEETING

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.
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 Tuesday, 14 May 2024) 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 Saturday, 11 May 2024 to Thursday, 16 May 2024, 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 Friday, 10 May 2024.
5. For the purpose of determining the Shareholders’ entitlement to the proposed final dividend for the year ended 31 December 2023, the register of members of the Company will be closed from 22 May 2024 to 27 May 2024, 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 21 May 2024.