

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China 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 AND
FINAL SPECIAL 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 8, No. 186 Zhong Shan Wu Road, Yue Xiu District, Guang Zhou, PRC on Thursday, 21 May 2020 at 2:30 p.m. is set out on pages 17 to 21 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 19 May 2020) 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 8, No. 186 Zhong Shan Wu Road, Yue Xiu District, Guang Zhou, PRC on Thursday, 21 May 2020 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 17 to 21 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
“Elite BVI”	Elite Education Investment Co. Ltd., a company incorporated in the British Virgin Islands with limited liability on 18 August 2010, which is wholly owned by Mr. Junjing Tang
“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 17 to 21 of this circular
“Jameson Ying BVI”	Jameson Ying Industrial Co. Ltd., a company incorporated in the British Virgin Islands with limited liability on 18 August 2010, which is wholly owned by Mr. Gui Zhou

* For identification purposes only

DEFINITIONS

“Listing Date”	27 December 2018, being the date of listing of the Shares on the Main Board of the Stock Exchange
“Latest Practicable Date”	8 April 2020, 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 17 to 21 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 RMB301,531,000 as at 31 December 2019 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
“Texcellence BVI”	Texcellence Holding Company Limited, a company incorporated in the British Virgin Islands with limited liability 18 August 2010, which is wholly owned by Mr. Junying Tang
“%”	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

20 April, 2020

To the Shareholders

Dear Sir/Madam,

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

As announced by the Company in its announcement dated 25 March 2020 regarding the annual results of the Group for the year ended 31 December 2019, the Board recommended the payment of a final dividend of HK\$5.3 cents per Share and a final special dividend of HK\$2.0 cents per Share, subject to the approval of Shareholders at the Annual General Meeting by way of an ordinary resolution. The final dividend and final special dividend are 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 2019, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account amounted to approximately RMB301,531,000. The Board proposed to use an amount of approximately RMB56,596,000 standing to the credit of the Share Premium Account for the payment of the final dividend and final special dividend. Following the payment of the final dividend and final special dividend on the basis of 849,720,000 Shares in issue as at the Latest Practicable Date, there will be a remaining balance of approximately RMB244,935,000 standing to the credit of the Share Premium Account.

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

The payment of the final dividend and final special 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 and final special 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 and final special dividend are 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 and final special dividend will not be paid.

Subject to the fulfilment of the above conditions, it is expected that the final dividend and final special dividend will be paid in cash on or about Tuesday, 9 June 2020 to the qualifying Shareholders whose names appear on the register of members of the Company at close of business on Friday, 29 May 2020, being the record date for determination of entitlements to the final dividend and final special dividend.

LETTER FROM THE BOARD

Reasons for payment of the Final Dividend and Final Special 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 and final special 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 and Final Special Dividend out of the Share Premium Account

The implementation of the payment of the final dividend and final special 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 and final special dividend, the Directors consider that the payment of the final dividend and final special 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. Junying Tang, Mr. Yingmin Wu and Ms. Yu Long 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 17 to 21 of this circular (i.e. a total of 169,944,000 Shares on the basis that the total number of existing issued Shares of the Company (849,720,000 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.

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

LETTER FROM THE BOARD

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 17 to 21 of this circular (i.e. a total of 84,972,000 Shares based on 849,720,000 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 17 to 21 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 19 May 2020) 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 and final special 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. Junying Tang (唐俊膺)**

Position and Experience

Mr. Junying Tang (唐俊膺), aged 50, 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 business division of Premium Learning Program. Mr. Junying Tang was appointed as a Director on 21 January 2011 and designated 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 21 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 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. Junying Tang has entered into a service agreement with the Company. The initial term of the service contract shall commence from the date of his appointment and continue for a period of three years after or until the third annual general meeting of the Company since the date of the Prospectus, whichever is earlier (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. Junying Tang is the brother of Mr. Junjing Tang, the chairman, an executive Director 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.

Interests in Shares

As at the Latest Practicable Date, Mr. Junying Tang was interested in a total of 458,202,231 Shares, representing approximately 53.92% of the total number of Shares in issue. Pursuant to the SFO, Mr. Junying Tang is deemed to be interested in (i) 143,510,888 Shares held by Texcellence BVI (a company wholly owned by Mr. Junying Tang); (ii) 171,165,101 Shares held by Elite BVI (a company wholly owned by Mr. Junjing Tang); (iii) 142,258,242 Shares held by Jameson Ying BVI (a company wholly owned by Mr. Gui Zhou); (iv) 446,000 Shares held by Mr. Jungjing Tang; and (v) 822,000 Shares held by Mr. Gui Zhou, as he, Mr. Junjing Tang and Mr. Gui Zhou are parties acting in concert.

Director's emoluments

For the financial year ended 31 December 2019, based on the remuneration policy of the Company, Mr. Junying Tang received RMB1,594,779 as director's emoluments, among which, RMB1,263,000 is remuneration, allowances and other benefits in kind; RMB280,465 is the discretionary bonus; and RMB51,314 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) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) and there are no other matters concerning Mr. Junying Tang that need to be brought to the attention of the Shareholders.

(2) Mr. Yingmin Wu (吳穎民)*Position and Experience*

Mr. Yingmin Wu (吳穎民), aged 69, is an independent non-executive Director, being responsible for supervising and providing independent judgment to our Board. Mr. Wu was appointed as an independent non-executive Director on 3 December 2018 and served as an independent director of Guangzhou Beststudy Enterprise Co., Ltd ("Guangzhou Beststudy") from May 2017 to March 2018. Mr. Wu has over 30 years' experience in the PRC education industry.

Mr. Yingmin Wu has been the president of the Association of Principals of Guangdong Province (廣東省中小學校長聯合會) since March 2013. He has been the vice president of The Chinese Society of Education (中國教育學會) since May 2012. Mr. Yingmin Wu successively served as the vice principal and the principal of the affiliated high school of South China Normal University (華南師範大學附屬中學) and the vice principal of South China Normal University (華南師範大學) during the period from November 1984 to January 2013.

Mr. Yingmin Wu graduated from South China Normal University (華南師範大學) in July 1976 and obtained a bachelor's degree in chemistry in September 1989.

Saved as disclosed above, Mr. Yingmin Wu 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. Yingmin Wu has entered into an appointment letter with the Company. The initial term for his appointment letter shall be three years from the date of the Prospectus or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (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. Yingmin Wu 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. Yingmin Wu 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 2019, Mr. Yingmin Wu has waived his 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. Yingmin Wu 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. Yingmin Wu that need to be brought to the attention of the Shareholders.

(3) Ms. Yu Long (隆雨)*Position and Experience*

Ms. Yu Long (隆雨), aged 44, is an independent non-executive Director, being responsible for supervising and providing independent judgment to our Board. Ms. Yu Long was appointed as an independent non-executive Director on 3 December 2018 and served as an independent director of Guangzhou Beststudy from May 2017 to March 2018.

Ms. Yu Long has been a director of JD.com International (Singapore) Pte. Limited and the head of the CHO&GC system of Beijing Jingdong Century Trade Co., Ltd. (北京京東世紀貿易有限公司), both of which are subsidiaries of JD.com, Inc., a company listed on NASDAQ (stock code: JD) and primarily engaged in e-commerce, since November 2014 and August 2012, respectively.

Ms. Yu Long obtained a master's degree in business administration from China Europe International Business School and a bachelor's degree in economic law from Southwest University of Political Science and Law (西南政法大學) in October 2011 and July 1998, respectively.

Saved as disclosed above, Ms. Yu Long 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

Ms. Yu Long has entered into an appointment letter with the Company. The initial term for her appointment letter shall be three years from the date of the Prospectus or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (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

Ms. Yu Long 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, Ms. Yu Long 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 2019, based on the remuneration policy of the Company, Ms. Yu Long 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 Ms. Yu Long 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 Ms. Yu Long 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. Yingmin Wu as an independent non-executive Director will further enrich the Company's knowledge and experience in education, and promote the Board diversity.

The Nomination Committee is of the view that the election of Ms. Yu Long 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 24 March 2020, the Nomination Committee nominated Mr. Yingmin Wu and Ms. Yu Long for the Board to recommend them to be elected by Shareholders at the Annual General Meeting.

The Board considers that each of the candidates for independent non-executive Directors has many years of experience working in sectors including education and has made significant contributions. The Nomination Committee is satisfied that each of Mr. Yingmin Wu and Ms. Yu Long has the required character, integrity and experience to continuously fulfill his/her role as an independent non-executive Director effectively. The Board believed that his/her re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole. Moreover, each of the candidates for independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Board also considers that Mr. Yingmin Wu and Ms. Yu Long meet 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 849,720,000 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 849,720,000 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 84,972,000 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 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 2019) 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\$
2019		
April	3.690	2.990
May	3.100	2.410
June	2.700	2.300
July	2.440	2.250
August	2.360	1.880
September	2.300	1.700
October	3.130	2.000
November	3.290	2.640
December	3.990	3.060
2020		
January	5.050	3.850
February	4.580	3.880
March	4.190	3.150
April (up to the Latest Practicable Date)	3.680	3.380

**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, Mr. Gui Zhou, Elite BVI, Texcellence BVI and Jameson Ying BVI, being parties acting in concert and the controlling shareholders of the Company, were jointly interested in a total of 458,202,231 Shares representing approximately 53.92% 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, Mr. Gui Zhou, Elite BVI, Texcellence BVI and Jameson Ying BVI as a group would be increased to approximately 59.92% 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

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 8, No. 186 Zhong Shan Wu Road, Yue Xiu District, Guang Zhou, PRC on Thursday, 21 May 2020 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 2019.
2. To declare and approve payment of a final dividend of HK\$5.3 cents per ordinary share and a final special dividend of HK\$2.0 cents per ordinary share for the year ended 31 December 2019 from the share premium account of the Company.
3.
 - (a) To re-elect Mr. Junying Tang as an executive director of the Company.
 - (b) To re-elect Mr. Yingmin Wu as an independent non-executive director of the Company.
 - (c) To re-elect Ms. Yu Long 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 purposes 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, 20 April 2020

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 19 May 2020) 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 Monday, 18 May 2020 to Thursday, 21 May 2020, 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 15 May 2020.

NOTICE OF ANNUAL GENERAL MEETING

5. For the purpose of determining the Shareholders' entitlement to the proposed final dividend and final special dividend for the year ended 31 December 2019, the Register of Members of the Company will be closed from Wednesday, 27 May 2020 to Friday, 29 May 2020, both days inclusive and during which period no share transfer will be effected. In order to qualify for the proposed final dividend and final special 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 26 May 2020.
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 2019 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 21 May 2020, the above meeting will not be held on 21 May 2020 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.