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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)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by China Beststudy Education Group (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 17 December 2021, which disclosed that the Company planned to cease its tutoring services business related to academic subjects at the compulsory education stage (the “**Compulsory Education Tutoring Services**”) with effect from January 2022 (the “**Cessation of Business**”). The Cessation of Business is in response to the *Opinions on Further Reducing the Burden of Homework and Off-Campus Training for Compulsory Education Students*, published in July 2021 by the General Office of the CPC Central Committee and the General Office of the State Council and the related implementation rules, regulations and measures promulgated by competent authorities. The Company further noted in the announcement dated 17 December 2021 that for the financial year ended 31 December 2020 (“**FY2020**”) and the six months ended 30 June 2021 (“**6M2021**”), the revenues from offering Compulsory Education Tutoring Services accounted for approximately 80% of the Company’s total revenues for FY2020 and 6M2021.

In light of this, and based on the management’s preliminary assessment of the Company, the above-mentioned government policies and business adjustments of the Company will have a substantial impact on the Company’s revenues. The Company is expected to record a substantial decrease in revenue and a significant loss for the financial year of 2021.

The Company is still in the process of finalizing its audited consolidated financial statements for the financial year of 2021. The information contained in this announcement is only based on a preliminary assessment made by the board (the “**Board**”) of directors of the Company (the “**Directors**”) with reference to the information currently available, which has not been reviewed by the audit committee of the Board or audited or reviewed by the independent auditors of the Company. Such information may be adjusted after further review and finalization of the audited consolidated financial statements for the financial year of 2021. The shareholders of the Company and potential investors are advised to refer to the details of the Company’s announcement of its final results for the financial year of 2021 to be published pursuant to the Listing Rules in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By order of the Board
China Beststudy Education Group
Junjing Tang
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 January 2022

As at the date of this announcement, the Executive Directors are Mr. Junjing Tang, Mr. Junying Tang and Mr. Gui Zhou, the Non-Executive Director is Mr. Wenhui Xu, and the Independent Non-Executive Directors are Ms. Yu Long and Mr. Peng Xue.

* *For identification purposes only*