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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)

PROFIT WARNING SUPPLEMENTAL ANNOUNCEMENT

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 inside information announcement of the Company entitled profit warning dated 28 January 2022 (the “**Profit Warning Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Profit Warning Announcement.

The Board of the Company wishes to further inform the shareholders and potential investors of the Company that, based on a preliminary assessment of the consolidated financial statements of the Company and other information currently available to the Board, the Company is expected to record a net loss ranging from approximately RMB200.00 million to RMB300.00 million for the financial year ended 31 December 2021 as compared to the profit for the year of approximately RMB127.79 million for the financial year ended 31 December 2020, as disclosed in the Company’s annual report for the financial year ended 31 December 2020, which was published on 14 April 2021. This is primarily due to the following factors: (i) compensation for dismissal of employees, liquidated damages for surrender for rental, upfront expenses of decoration and the provision made by the Company for impairment in certain long-term assets; and (ii) as disclosed in the Company’s inside information announcement dated 17 December 2021, entitled overdue redemption of certain wealth management products, certain wealth management products purchased by the Company are overdue for redemption and other wealth management products purchased by the Company may also be subject to the risk of overdue redemption.

The Company is still in the process of finalizing its consolidated financial statements for the financial year ended 31 December 2021. The information contained in this announcement is solely based on a preliminary assessment made by the Board with reference to the information currently available, which has not been reviewed by the audit committee of the Board and has not been audited or reviewed by the independent auditors of the Company. Such information may be adjusted after further review and finalization of the consolidated financial statements for the financial year ended 31 December 2021. The shareholders and potential investors of the Company are advised to refer to the details of the Company's annual results announcement for the financial year ended 31 December 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, 7 February 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*