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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

	For the six months ended 30 June		
	2022	2021	% Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	268,445	1,096,355	(75.5)%
Gross Profit	121,671	421,925	(71.2)%
Net Profit	5,547	1,408	294.0%
Adjusted Net Profit	6,766	3,522	92.1%

* For identification purposes only

In this announcement, “we”, “us” and “our” refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the “**Board**”) of directors (the “**Directors**”) of China Beststudy Education Group (the “**Company**” or “**Beststudy**” and, together with its subsidiaries, collectively the “**Group**”) announces the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2022 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		For the six months ended 30 June	
		2022	2021
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	4	268,445	1,096,355
Cost of sales		<u>(146,774)</u>	<u>(674,430)</u>
Gross profit		121,671	421,925
Other income and gains, net	4	10,070	51,703
Investment income		3,466	11,978
Selling expenses		(30,452)	(124,542)
Research and development expenses		(35,315)	(84,963)
Administrative expenses		(44,397)	(116,766)
Finance cost		(7,737)	(30,457)
Share of losses of associates		(478)	(1,966)
Share of (losses)/profits of a joint venture		(607)	87
Fair value changes on investments at fair value through profit or loss	9	(20,085)	29,156
Impairment losses under expected credit loss model, net of reversal		21,415	(31,885)
Other expenses		<u>(736)</u>	<u>(115,628)</u>
PROFIT BEFORE TAX		16,815	8,642
Income tax expense	6	<u>(11,268)</u>	<u>(7,234)</u>
PROFIT FOR THE REPORTING PERIOD		<u>5,547</u>	<u>1,408</u>
Attributable to:			
Ordinary equity holders of the parent		5,232	5,836
Non-controlling interests		<u>315</u>	<u>(4,428)</u>
		<u>5,547</u>	<u>1,408</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic			
— For profit for the reporting period		<u>RMB0.7 cents</u>	<u>RMB0.8 cents</u>
Diluted			
— For profit for the reporting period		<u>RMB0.7 cents</u>	<u>RMB0.8 cents</u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME/(EXPENSE)**

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PROFIT FOR THE REPORTING PERIOD	<u>5,547</u>	<u>1,408</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements	<u>—</u>	<u>(2,482)</u>
Net other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods	<u>—</u>	<u>(2,482)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE REPORTING PERIOD, NET OF TAX	<u>—</u>	<u>(2,482)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE REPORTING PERIOD	<u>5,547</u>	<u>(1,074)</u>
Attributable to:		
Ordinary equity holders of the parent	<u>5,232</u>	3,354
Non-controlling interests	<u>315</u>	<u>(4,428)</u>
	<u>5,547</u>	<u>(1,074)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June	31 December
		2022	2021
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment		41,564	51,858
Right-of-use assets		143,038	192,166
Intangible assets		30,339	33,642
Investments in joint ventures		7,510	7,377
Investments in associates		17,014	17,492
Equity investments at fair value through profit or loss	9	7,607	7,227
Debt investments measured at amortised cost	9	22,716	186,047
Debt investments at fair value through profit or loss	9	11,558	15,248
Prepayments for purchases of property, plant and equipment		939	552
Deferred tax assets		35,826	35,080
		318,111	546,689
CURRENT ASSETS			
Short-term debt investments measured at fair value through profit or loss	9	57,060	245,989
Short-term equity investments measured at fair value through profit or loss	9	32,881	48,986
Short-term debt investments measured at amortised cost	9	25,780	130,000
Prepayments, deposits and other receivables		79,046	72,765
Restricted cash		14,971	12,135
Cash and cash equivalents		310,437	211,180
Other current assets		462	778
Short-term time deposits		51,276	50,130
		571,913	771,963

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

As at 30 June 2022

		30 June 2022	31 December 2021
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
CURRENT LIABILITIES			
Other payables and accruals		91,929	171,846
Contract liabilities		144,787	191,725
Tax payable		29,313	33,874
Interest-bearing bank loans		95,500	333,218
Lease liabilities		75,649	87,163
		<u>437,178</u>	<u>817,826</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>134,735</u>	<u>(45,863)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>452,846</u>	<u>500,826</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		—	—
Lease liabilities		94,986	150,222
		<u>94,986</u>	<u>150,222</u>
NET ASSETS		<u>357,860</u>	<u>350,604</u>
EQUITY			
Share capital	<i>10</i>	303	303
Reserves		356,998	350,547
		<u>357,301</u>	<u>350,850</u>
Equity attributable to ordinary equity holders of the parent		<u>357,301</u>	<u>350,850</u>
Non-controlling interests		559	(246)
TOTAL EQUITY		<u>357,860</u>	<u>350,604</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 27 August 2010 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2022, there was no change to the principal activities of the Group.

The ultimate controlling parties of the Group are Mr. Junjing Tang, Mr. Junying Tang and Mr. Gui Zhou who have entered into acting in concert agreement.

2.1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The Board has at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2.2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

2.2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to International Financial Reporting Standards (“IFRSs”)

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s unaudited interim condensed consolidated financial statements:

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment — Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2018-2020</i>

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited interim condensed consolidated financial statements.

Change in the functional currency of the Company

During the current period, the functional currency of the Company was changed from United States dollars (“USD”) to Renminbi (“RMB”) upon the Company ceased its treasury investment function. Subsequently, the Company mainly holds subsidiaries whose underlying operations are primarily in the People’s Republic of China (the “PRC”) with RMB being the currency that mainly influences the Group’s underlying transactions, events and conditions. The directors of the Company have determined that RMB better reflects the economic substance of the Company and its business activity as an investment holding company primarily holding subsidiaries with primary economic environment in the PRC.

3. SEGMENT INFORMATION

The Group is principally engaged in the provision of after-school education services in Mainland China.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors of the Company, review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the Reporting Period, the Group operated within one geographical segment because all of its revenue was generated in Mainland China and all of its long-term assets/capital expenditure were located/incurred in Mainland China. Accordingly, no further geographical segment information is presented.

Information about major customers

No service provided to a single customer amounted to 10% or more of total revenue of the Group during the Reporting Period.

4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents the value of services rendered, net of value-added tax (“VAT”) and other sales tax, after allowances for refunds and discounts during the reporting period.

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<i>Revenue from contracts with customers</i>		
Full-time test preparation programs	89,611	83,158
Talent education	49,822	33,500
Tutoring programs	129,012	979,315
Others	—	382
	<u>268,445</u>	<u>1,096,355</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2022

	Full-time test preparation programs RMB'000 (Unaudited)	Talent education RMB'000 (Unaudited)	Tutoring programs RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Timing of revenue recognition				
Services transferred at a point in time	—	—	63,134	63,134
Services transferred over time	89,611	49,822	65,878	205,311
	<u>89,611</u>	<u>49,822</u>	<u>129,012</u>	<u>268,445</u>

For the six months ended 30 June 2021

	Full-time test preparation programs RMB'000 (Unaudited)	Talent education RMB'000 (Unaudited)	Tutoring programs RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Timing of revenue recognition					
Services transferred at a point in time	—	—	471,236	382	471,618
Services transferred over time	83,158	33,500	508,079	—	624,737
	<u>83,158</u>	<u>33,500</u>	<u>979,315</u>	<u>382</u>	<u>1,096,355</u>

(ii) Performance obligations

Except for the other services, short-term advances are normally required before rendering the services of full-time test preparation, talent education and tutoring programs.

The Group has elected the practical expedient for not to disclose information about the remaining performance obligations as majority of the services have original expected duration of one year or less or the services are rendered in short period of time.

Other income and gains, net

	For the six months ended 30 June	
	2022	2021
Notes	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income and gains, net		
Interest income	5,503	7,827
VAT exemption	72	15,843
Subsidy income from the PRC government	(i) 2,083	5,768
Gain on lease modifications	488	1,666
Gain on disposal of an associate	—	20,511
Dividend income from equity investments at fair value through profit or loss	1,125	—
Others	799	88
	<u>10,070</u>	<u>51,703</u>

Note:

- (i) The subsidy income from the PRC government during the Reporting Period mainly represents subsidies granted by the local government as encouragement for its contribution to the local economy. There are no unfulfilled conditions or contingencies relating to such subsidies.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	For the six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Employee benefit expense			
Wages and salaries		139,167	518,672
Retirement benefit scheme contributions		10,092	59,827
Equity-settled compensation costs		1,219	2,209
		<u>150,478</u>	<u>580,708</u>
Cost of sales*		146,774	674,430
Depreciation of property, plant and equipment		9,791	38,881
Depreciation of right-of-use assets		33,746	117,731
Amortisation of intangible assets		3,590	3,711
		<u>47,127</u>	<u>160,323</u>
Lease payments not included in the measurement of lease liabilities		4,209	5,455
COVID-19-related rent concessions from lessors		(3,895)	(841)
Loss on disposal of items of property, plant and equipment, net		218	875
Foreign exchange difference, net		222	89
Impairment of property, plant and equipment		—	75,698
Impairment of investment in associates		—	35,252
Impairment losses under expected credit loss model, net of reversal		(21,415)	31,885
Auditor's remuneration		<u>898</u>	<u>1,563</u>

* The staff costs of RMB106,253,000 (for the six months ended 30 June 2021: RMB451,545,000) and the depreciation and amortisation of RMB20,187,000 (for the six months ended 30 June 2021: RMB142,893,000) are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

6. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Reporting Period.

PRC Enterprise Income Tax (“EIT”)

Guangzhou Beststudy Enterprise Co., Ltd.* (廣州市卓越里程教育科技有限公司) was accredited as a High-tech Enterprise in 2019 and was entitled to a preferential tax rate of 15% from 2019 to 2022.

Pursuant to the EIT Law and the respective regulations, the other PRC subsidiaries were subject to income tax at a statutory rate of 25% for the Reporting Period (2021: 25%).

EIT of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Mainland China during the reporting period.

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current — the PRC		
Charge for the reporting period	10,521	19,596
Deferred tax expense/(credit)	747	(12,362)
Income tax expense for the reporting period	<u>11,268</u>	<u>7,234</u>

* For identification purposes only

7. DIVIDENDS

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Final dividend — nil cents per ordinary share (2021: HK\$5.5 cents per ordinary share)	—	34,031
	<u>—</u>	<u>34,031</u>
	<u>—</u>	<u>34,031</u>

No interim dividend was proposed during the reporting period (six months ended 30 June 2021: nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the Reporting Period attributable to ordinary equity holders of the parent, and the adjusted weighted average number of ordinary shares of 752,535,956 (for the six months ended 30 June 2021: 753,931,100) in issue during the Reporting Period.

The calculation of the diluted earnings per share amount for the Reporting Period is based on the profit for the Reporting Period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is the adjusted weighted average number of ordinary shares in issue during the Reporting Period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>5,232</u>	<u>5,836</u>
Number of shares		
For the six months ended 30 June		
	2022	2021
Shares		
Weighted average number of ordinary shares in issue	847,221,000	847,478,718
Weighted average number of shares held for the RSU Scheme	<u>(94,685,044)</u>	<u>(93,547,618)</u>
Adjusted weighted average number of ordinary shares in issue used in the basic earnings per share calculation	<u>752,535,956</u>	<u>753,931,100</u>
Effect of dilution — weighted average number of ordinary shares:		
RSU Scheme	<u>593,000</u>	<u>16,376,431</u>
Adjusted weighted average number of ordinary shares in issue used in the diluted earnings per share calculation	<u>753,128,956</u>	<u>770,307,531</u>

9. OTHER INVESTMENTS

		30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Non-current assets			
Equity investments at fair value through profit or loss			
— Unlisted equity investments	(i)	<u>7,607</u>	<u>7,227</u>
Debt investments at amortised cost			
— Corporate debts	(ii)	<u>22,716</u>	<u>186,047</u>
Debt investments at fair value through profit or loss			
— Funds	(iii)	<u>11,558</u>	<u>15,248</u>
		<u>41,881</u>	<u>208,522</u>
Current assets			
Short-term debt investments measured at fair value through profit or loss			
— Unlisted trust plans and asset management plans	(iii)	—	20,396
— Wealth management products issued by banks	(iii)	21,015	41,048
— Funds	(iii)	<u>36,045</u>	<u>184,545</u>
Short-term equity investments measured at fair value through profit or loss			
— Listed equity investments	(iv)	<u>32,881</u>	<u>48,986</u>
Short-term debt investments measured at amortised cost			
— Corporate debts	(ii)	25,780	130,000
		<u>115,721</u>	<u>424,975</u>

- (i) The fair values of the unlisted equity investments are measured using a valuation technique with unobservable inputs and hence categorised within level 3 of the fair value hierarchy.
- (ii) Debt investments measured at amortised cost are debt assets with guaranteed returns. They are denominated in RMB.

- (iii) Wealth management products issued by banks, unlisted trust plans, asset management plans and funds issued by financial institutions, were denominated in RMB at aggregate carrying amounts of RMB68,618,000 (2021: RMB261,237,000), with an expected rate of return ranging from 4.0% to 14.0% (2021: 4.0% to 14.0%) per annum as at 30 June 2022. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. As at 30 June 2022, certain unlisted trust plans and funds were overdue without being redeemed pursuant to the terms of the subscriptions agreements. The fair values are based on discounted cash flows using the expected return and are within level 2 and level 3 of fair value hierarchy.
- (iv) The fair values of listed equity investments are determined based on the closing prices quoted in active markets. They are accounted for using their fair values based on the quoted market prices (Level 1: quoted price (unadjusted) in active markets) without deduction for transaction costs.
- (v) Amounts recognised in profit or loss

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Investment income from debt investments measured at amortised cost — corporate debts	3,466	11,978
Reversal of impairment loss of debt investments measured at amortised cost	20,541	—
Fair value changes on investments		
<i>Equity investments</i>		
— Unlisted	380	(165)
— Listed	(16,105)	3,010
<i>Debt investments</i>		
— Unlisted trust plans and asset management plans	619	9,811
— Wealth management products issued by banks	236	2,409
— Funds	(5,215)	14,091
	<u>(20,085)</u>	<u>29,156</u>

10. SHARE CAPITAL

Shares

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Authorised: 3,000,000,000 ordinary shares of US\$0.00005 each as at 30 June 2022 (2021: 3,000,000,000 ordinary shares)	<u><u>1,070</u></u>	<u><u>1,070</u></u>
Issued and fully paid: 847,221,000 ordinary shares as at 30 June 2022 (2021: 847,221,000 ordinary shares)	<u><u>303</u></u>	<u><u>303</u></u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2021	849,720,000	304
Shares repurchased and cancelled	<u>(2,499,000)</u>	<u>(1)</u>
At 30 June 2021, 1 January 2022 and 30 June 2022	<u><u>847,221,000</u></u>	<u><u>303</u></u>

The Company purchased 2,499,000 of its ordinary shares on the Stock Exchange at a total consideration of HK\$6,807,000, approximately RMB5,677,000. The purchased shares were cancelled during the six months ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE AND OVERVIEW

As a leading education service provider in South China, the Company has been consistently providing high-quality and diversified education products and services to students and parents since our establishment 25 years ago.

Our Group mainly offers education related courses including full-time revision business, talent education, self-study program, vocational education, after-school tutoring program and other education related products and services. Our full-time revision business aims to help middle school and high school graduates to be admitted to their preferred schools through Zhongkao (中考) and Gaokao (高考). Our talent education is designed to promote the all-round development of our students, allowing a more engaging and enjoyable learning process. Our after-school tutoring program targets to help students establish a sound learning thinking and knowledge system and develop good learning habits. Our self-study program aims to improve students' soft power of learning through self-study model, so that they can give full play in their study and daily life. Our vocational education is designed to cultivate new types of vocational and technical talents needed by the country and society in an innovative model with the support of public vocational colleges.

The Group has been focusing on developing in the South China region and established business presence across the country. Through 25 years of efforts and development, our “Zhuoyue Education” (卓越教育) brand and reputation have also been recognised and welcomed by students, parents and all social sectors. During the outbreak of the pandemic, we actively participated in social welfare undertakings and won the awards of “Advanced Anti-epidemic Collective of Private Education in Yuexiu District” (越秀區民辦教育抗疫先進集體) and “Golden Spike Partner of Educational Charity” (教育公益金穗夥伴). We have also made a breakthrough in enhancing the brand image of the Group as an employer who broadens brand building, and won various awards such as “King’s Ark Award for Employer Cherishing Talents the Most” (王者之舟最愛人才僱主獎), “2021 Most Influential Employer” (2021年最具影響力僱主), “2021 China Best Employer — Campus Recruitment Case Award” (2021中國年度最佳僱主 — 校招案例獎) as well as the “College Student Education Practice Base of the College of Liberal Arts of Jinan University” (暨南大學文學院大學生教育實踐基地) granted by Jinan University. The recognition from students, parents and people from all walks of life will help us enlarge our student pool and further strengthen our market position in the industry.

Performance Review

To mitigate the impact of the “Double Reduction Policy” and the COVID-19 pandemic on the industry and the Group’s business, the Group has taken proactive measures to adjust its strategic focus, developing a future-oriented layout, re-focusing on the Greater Bay Area, leveraging on the Group’s accumulated resources and strengths to explore new tracks and develop a second curve of growth.

The Group has been pushing forward the rapid development of its full-time revision business segment, with new schools opening in Guangdong province. Leveraging on the strengths of its existing business brand, the Group has attracted students and received positive feedback and recognition from the market. We insist on the continuous utilization of efficient technology to empower our precise teaching system, combining our rich teaching experience with a scientific teaching system to continuously improve the quality of our precise teaching services and optimize our teaching mode, so as to grasp and meet students’ needs in a more accurate manner, and to immerse them in a rich learning atmosphere and continuously improve and surpass themselves, which not only helps students achieve their desired results, but also builds up an efficient and reliable brand image for the Company, thereby realizing our corporate value and laying a solid foundation for the sustainable development of the Group.

In order to comprehensively optimize its layout in talent education, the Group has upgraded various educational products, such as “Curious Young Reporter, Beststudy Programming, Beststudy Go Chess, Thinking Planet, Beststudy Literature (Di-Da Literature), Literature and Aesthetic Education, Bilingual Culture and Practical Science Experiment”, among others, to meet the needs of students’ all around development of moral, intellectual, physical, aesthetic and labor education, and equip them with the necessary characters and critical abilities that they can adapt themselves to lifelong development and social development.

During the Reporting Period, the Group partnered with 48 primary and secondary schools in Guangzhou to provide integrated after-class services within the school. We have won recognition from schools for providing high quality services and experiences to students through more than 50 talent education products, including moral education programs, thinking development, language expression, aesthetic arts, science literacy, cooking, laboring, sports, study and practice.

The Group has actively responded to national policy by implementing the transformation in the direction of vocational education through different forms, establishing a comprehensive strategic partnership with secondary vocational schools and institutions and actively pursuing new breakthroughs. With full awareness of the core characteristics of secondary education, we have tailor-made a fully closed management program for secondary school students, with the College Entrance Examination for Vocational School Students as the final destination, to provide full support for the high quality learning of secondary vocational

school students through a full-swing, holistic and all-round education and services, and to stimulate their internal learning motivation, so that they could be equipped with not only good professional skills, but also sufficient cultural literacy, so as to lay a good foundation for their College Entrance Examination for Vocational School Students, helping students to fulfil their dreams of higher education while developing high quality and highly skilled applied talents for the society and the state.

In addition, the Group has also launched the 3+ Certificate in Higher Vocational Studies on top of the fully closed management program. The program is based on the basic model of “small group tutoring”, with a three-lecturer classroom teaching strategy tailored specifically for secondary vocational school students and taught by experienced section leaders and five-star lecturer in a closed-loop manner through “lecture, practice and test”, so as to guarantee the learning quality of each and every student.

In the face of the new situation of transformation, the Group has carried out a new internal transformation and upgrade. With business efficiency as the core and business increment as the measurement, the Quality Product Centre and the Vocational Education Department were swiftly established, and the middle and back office functional departments were immersed down to business units. At the same time, the staff management mechanism has been repeatedly calculated and the staff motivation system has been significantly improved to stimulate the enthusiasm of the frontline business team, creating a new business team with quick response time and strong revenue generating capability, which has become the permanent motivation for the Group’s diversified business transformation.

The Group has consistently adhered to the mission of “cultivating excellent quality and contributing to China’s future” and has firmly stuck to the objective of “do warm education” for our public welfare action. We have carried out several public welfare and charitable student aid projects, such as donating teaching equipment and materials to primary and secondary schools in remote mountainous areas many times, and continued to carry out the “Candle Care Program”, while improving the educational conditions of schools in rural area, we also actively carry out rural teacher support and exchange activities to improve the quality of rural education, and support the great national vision of revitalizing rural education through practical actions. The Group continues to adhere to the educational philosophy of cultivating people by virtue, actively undertakes social responsibilities by joining hands with government units to organize the “Youth of the Future” summer public welfare series activities, providing childcare services for the children of frontline pandemic prevention personnel and ease their anxieties, continuously improves corporate credibility and brand influence, and interprets the original intention of public welfare with practical actions.

Future Prospects

Since the first anniversary of the implementation of the “Double Reduction Policy”, the Group has not only closely followed the direction of general state policies, strictly implemented the national policy and operated in accordance with the law, but also adhered to the original intention of “All for Children’s Healthy Development”, committed to the essence of education and contributing to the construction of a high-talent education system in China. Under the dual guidance of policy and market, the Group has accelerated the development of its second growth curve, focusing on the core strategic system of “full-time revision + talent education + vocational education” and actively promoting the diversification of fields to provide comprehensive teaching services for students and promote the all-round development of children.

Expanding into new full-time revision business to enhance the momentum of growth

Leveraging on the new situation, the Group will continue to provide full-time revision business to students, promote the continuous development of our existing business. The Group will expand the provincial market in a swift pace while putting efforts in marching forward towards the national market, explore and develop a new market territory. The Group remains committed to using technology-enabled precision teaching systems, combining our rich teaching experience with science-based teaching systems to help us better understand students’ needs and continuously optimize our teaching models to ensure high quality output of teaching content and accelerate the development of our business segments.

The deepening of our new full-time business will continue to give us a higher and stronger boost to our development in the new industry landscape, providing the Group with continuous momentum to take our business to the next level.

Deepening the development of talent education to build a one-stop talent education base

The importance of talent education is becoming increasingly evident as the demand for talent in economic development continues to rise. Coupled with the proper guidance from national policies, talent education has now become one of the most promising new tracks in the education industry. The Group has been actively transforming towards talent education by conducting a new round of research and development and upgrading its eight existing talent education products to build an all-round development education system that embraces the “five educations” integration “moral, intellectual, physical, aesthetic and labor” to achieve the improvement of core literacy of primary and secondary school students. At the same time, in the non-academic accreditation of the departments in charge of education, products such as Programming, Curious Young Reporter, Go Chess, Thinking Planet and Di-Da Literature became the first batch of talent education products to pass the accreditation of non-academic products, which were highly recognised by the society and students, and established the brand image of Beststudy in talent education.

The Group will further collaborate with more primary and secondary schools to provide a wide range of integrated after-class services and products within the school to meet students' needs for a comprehensive talent education curriculum by leveraging our local language advantage, professional service operation system and teacher and training team. We are committed to becoming a beneficial complement within schools, continuing to develop after-school service business, endeavoring to assist the implementation of talent education in schools, in an effort to create school-based curriculums with the talent education characteristics and build a new pattern of services within schools.

We will continue to enhance the model of “talent education + community” model, taking the community as the center to radiate the surrounding areas, reorganize the diversified talent education sub-products, explore students' interests and talents through “direct perception, practical operation and hands-on experience”, and create a comprehensive and multi-category one-stop talent education base to provide students with more diversified choices, thereby further enhancing their comprehensive abilities.

In the future, Beststudy will continue to build on its philosophy of cultivating people by virtue and all-round development, consolidate the new anchor point of diversified talent education programs, leverage on the Group's strengths in customer resources and business scale accumulated through years of hard work to vigorously promote the development of new businesses in talent education on the brand new track.

Explore vocational education and sail towards overseas business

As China enters a new stage of development, the importance of vocational education is becoming more and more prominent. In October 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Promoting the High-quality Development of Vocational Education* (《關於推動現代職業教育高質量發展的意見》), which emphasised the promising future of vocational education and pointed out the direction for the development of vocational education. In May 2022, the Vocational Education Law of the People's Republic of China* (《中華人民共和國職業教育法》) was promulgated, bringing the development of vocational education to a new level. The market for vocational education is set to grow further under the positive guidance of national policies. Guangdong Province, where the Group is located, has always attached great importance to vocational education. Over the past decade, Guangdong has not only realised the equal importance of general education and vocational education, but has also established a large number of high-quality vocational education institutions and training bases, turning the “promising vision” of vocational education into the practice of “great deal” in Guangdong.

* For identification purposes only

Riding on the unique original advantages of vocational education in Guangdong Province and leveraging on its years of accumulated resources and teaching and research experience, the Group has launched a comprehensive exploration of vocational education products. With the focus of developing its business in the new arena, the Group will offer courses including vocational certificate training. In addition, the Group will continue to strengthen its strategic cooperation relationship with private colleges and universities, and secondary vocational colleges, actively explore the innovative training models for vocational education, give full play to the respective advantages of all parties, establish the consensus of “complementary advantages, resource sharing and cooperative development” on education, provide professional courses and services in overseas and domestic further education, non-academic training and early childhood education, jointly cultivate high-quality and high-skilled application-oriented talents, providing multi-level and diversified technical and skilled talent support to promote the high-quality development of modern vocational education, enhance the Group’s reputation in the field of vocational education, and help to accelerate the development of Beststudy in the course of vocational education.

The Group has created a new international education segment, striving to build a professional and refined overseas study service team. Based on the Group’s long-term accumulation of brand influence in education and its stock of customer resources, we will tap into the overseas study needs of customers and provide one-stop overseas study application services to open up diversified and customised paths for students to realize their dreams of studying abroad.

Creating an integrated learning and growth space and accompanying children’s growth in a high quality and efficient manner

In response to the requirements of national policies, the Group has built a self-learning space, providing students with learning systems or learning materials, creating a more comforting and reassuring self-study environment, and helping children develop correct and good learning methods and habits in the self-study mode to improve the soft power of learning. It is the Group’s intention to create an integrated learning and growth space through habit development, cultural edification, ability improvement, homework tutoring, etc., and to accompany children’s growth in a high-quality and efficient manner in the rich learning practices and experience, so that Beststudy will become the place for study and growth most favored by children and trusted by parents.

Live up to the expectations and forge ahead

We have always followed the guidance of national policies, constantly optimizing and improving our strategy, enhancing our core competitiveness and promoting sustainable, high-quality development. Always being child-oriented, we will provide children with diversified and comprehensive teaching services with warmth, substance, creativity and technology, so as to stimulate their internal motivation and promote their healthy and

comprehensive growth. We will also respond to the national call to vigorously develop vocational education, rely on our own advantages, deepen cooperation with universities and colleges, actively explore the vocational and technical training and education track, and promote the development of the Group in multiple fields and tracks. The Group will continue to create a better service and working platform for teachers and employees to help them realize their personal value. The Group will also deliver continuous and increasing investment returns to shareholders and investors through sustainable and healthy operation, so as to achieve a new level of success for Beststudy. The chairman would like to express his most sincere gratitude to the shareholders and investors who have been with the Group and grown with it over the years.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by type of education services we provided during the Reporting Period and the first half of 2021:

	For the six months ended 30 June		
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)	% Change
Full-time test preparation programs	89,611	83,158	7.8%
Talent education	49,822	33,500	48.7%
Tutoring programs	129,012	979,315	(86.8)%
Others	—	382	(100.0)%
Total	268,445	1,096,355	(75.5)%

The Group's revenue is principally generated from the tuition fees collected from our students. During the Reporting Period, the Group's revenue generated from our principal business decreased by 75.5% to approximately RMB268.4 million from RMB1,096.4 million in the first half of 2021. Compared with the first half of 2021, the increase in revenue from talent education was mainly due to the increase in number of students and tutoring hours; the reduction in tutoring programs was due to the termination of primary and primary school businesses as required by the "Double Reduction Policy".

Cost of Sales

Cost of sales decreased by 78.2% from RMB674.4 million in the first half of 2021 to RMB146.8 million for the Reporting Period, which was due to the decrease in various costs of sales including teacher labor cost as a result of the decrease in tutoring hours.

Gross Profit and Gross Profit Margin

As a result of the above principal factors, the Group's gross profit decreased by 71.2% from RMB421.9 million in the first half of 2021 to RMB121.7 million for the Reporting Period. The gross profit margin of the Group in the first half of 2021 was 38.5%, whilst for the Reporting Period it was 45.3%.

Other Income and Gains

During the Reporting Period, the Group recorded other income and gains in the amount of RMB10.1 million, representing a decrease of 80.5% year-on-year. The other income and gains during the Reporting Period mainly included interest income from demand deposit of RMB5.5 million, dividend income from equity investment of RMB1.1 million, and government subsidies of RMB2.1 million.

Impairment Losses under Expected Credit Loss Model, Net of reversal

This item refers to the provision for impairment of financial assets or the reversal of provision. During the Reporting Period, the reversal of provision was RMB21.4 million, which was mainly because the provision for impairment of wealth management products was overdue in the second half of 2021, while some overdue wealth management products were recovered in the first half of 2022.

Fair Value Changes on Investments at Fair Value Through Profit or Loss

The fair value changes on investments at fair value through profit or loss decreased by RMB49.3 million from approximately RMB29.2 million in the first half of 2021 to approximately RMB-20.1 million for the Reporting Period. The fair value changes included gains and losses from fair value changes on listed equity investments.

Selling Expenses

During the Reporting Period, the Group's total selling expenses decreased by approximately 75.5% to RMB30.5 million from RMB124.5 million in the first half of 2021.

Administrative Expenses

Administrative expenses included the compensation for administrative staff, office rentals and daily operational expenses. During the Reporting Period, the Group's total administrative expenses amounted to approximately RMB44.4 million, representing a decrease of 62% as compared to RMB116.8 million in the first half of 2021.

Research and Development Expenses

During the Reporting Period, the Group's research and development expenses amounted to RMB35.3 million, representing a decrease of approximately 58.4% from RMB85 million in the first half of 2021.

Other Expenses

The Group's other expenses during the Reporting Period amounted to RMB0.7 million.

Finance Costs

During the Reporting Period, the Group recorded finance costs in the amount of approximately RMB7.7 million, which were attributable to the interest expenses recognised upon adoption of IFRS 16 Leases in the amount of RMB3.5 million and the loan interest in the amount of RMB4.2 million.

Income Tax Expenses

During the Reporting Period, the Group's income tax expenses were RMB11.3 million. The effective tax rate decreased from 83.7% in the first half of 2021 to 67% for the Reporting Period.

Profit for the Reporting Period

The Group's profit increased from RMB1.4 million in the first half of 2021 to RMB5.5 million for the Reporting Period, representing an increase 294%, which was mainly due to the lower comparison base as a result of the provision for impairment in the first half of 2021.

Non-GAAP Measurements Related to the Profit for the Reporting Period

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted net profit as an additional financial measurement. We present such financial measure because it is used by our management to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. We also believe these non-GAAP measurements provide additional information to investors and others in understanding and evaluating our results of operations.

The term of adjusted net profit is not defined under IFRSs. The use of these non-GAAP measurements has material limitations as an analytical tool, as they do not include all items that impact our net profit for the Reporting Period. We compensate for these limitations by reconciling these financial measures to the nearest IFRSs performance measure, which should be considered when evaluating the Group's performance.

Our adjusted net profit increased by 92.1% from RMB3.5 million in 2021 to RMB6.8 million for the Reporting Period.

The following table reconciles adjusted profit for the periods and profit for the Reporting Period, the most directly comparable financial measurement calculated and presented in accordance with IFRSs:

	For the six months ended 30 June		
	2022	2021	% Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Net profit	5,547	1,408	294.0%
Add:			
Equity-settled compensation costs	1,219	2,114	(42.3%)
Adjusted net profit	6,766	3,522	92.1%

In light of the foregoing limitations for other financial measurements, when assessing our operating and financial performance, shareholders and investors should not consider adjusted profit and profit from core business in isolation or as a substitute for our profit for the Reporting Period, operating profit or any other operating performance measure that is calculated in accordance with IFRSs. In addition, because such measures may not be calculated in the same manner by all companies, it may not be comparable to other similar measurements applied by other companies.

Liquidity and Financial Resources

As at 30 June 2022, cash and cash equivalents of the Group amounted to RMB310.4 million.

Cash at banks bears interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited in credit-worthy banks with no recent history of default.

Current and Gearing Ratio

As at 30 June 2022, the current ratio of the Group was approximately 1.3, representing an increase as compared to 0.9 as at 31 December 2021. The current ratio is equal to total current assets divided by the total current liabilities.

As at 30 June 2022, the gearing ratio of the Group was 59.8%, representing a decrease as compared to 73.4% as at 31 December 2021. The gearing ratio is equal to total debts divided by the sum of total equity and total debts.

Future Plans for Significant Investment and Capital Assets

The Group did not have other plans for significant investment or capital assets as of the date of this announcement.

Significant Investments, Acquisition and Disposal of Subsidiaries, Associates and Joint Venture

As at 30 June 2022, the Group held financial assets comprising (i) debt investments of RMB117.1 million (31 December 2021: RMB577.3 million), in aggregate accounted for 13.2% of the Group's total assets as at 30 June 2022, representing investments in various types of short-term wealth management products issued by licensed banks, unlisted trust plans, asset management plans, funds and corporate debts; and (ii) equity investments of RMB40.5 million (31 December 2021: RMB56.2 million), in aggregate accounted for 4.5% of the Group's total assets as at 30 June 2022, representing investment portfolio of unlisted companies and a listed company.

Some financial assets are subject to the risk of overdue redemption as a result of the fluctuation of the current economic cycle. The Company has conducted relevant fair value assessment and made relevant provision for impairment.

The Group adopts prudent and pragmatic investment strategies over its significant investments. The subscriptions of the significant investment as well as the investments in other financial products were made for treasury management purpose to maximize the return of the Company after taking into account, among others, the level of risk, return on investment and the term to maturity. When making the investment decision, it is the Company's investment strategy to select standard short-term financial products that had relatively low associated risk in order to secure a stable investment income. Prior to making an investment, the Group had also ensured that there remains sufficient working capital for the requirements of the Group's business, operating activities and capital expenditures even after making the significant investments.

Save as disclosed in this announcement, the Group had not made any significant investments, acquisitions and disposals of subsidiaries, associates and joint venture during the Reporting Period.

Contingent Liabilities

As of 30 June 2022, the Group did not have any unrecorded significant contingent liabilities, guarantees or any litigation against the Group.

Pledge of Assets

As at 30 June 2022, the Group did not have any unrecorded pledge of assets.

Foreign Exchange Exposure

Our Group's sales and purchases during the Reporting Period were mostly denominated in RMB. Therefore, foreign exchange exposures mainly arise from debt investments at fair value through profit or loss denominated in US\$ and short-term equity investment at fair value through profit or loss denominated in HK\$. During the Reporting Period, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Group did not enter into any financial instrument for hedging purpose.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the Reporting Period, the Group has no material subsequent events after 30 June 2022 which are required to be disclosed.

HUMAN RESOURCES

As at 30 June 2022, the Group had a total of 2,431 (31 December 2021: 3,043) employees. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

INTERIM DIVIDEND

The Board resolved not to declare the interim dividend for the six months ended 30 June 2022.

RSU SCHEME

The Company approved and adopted the RSU Scheme on 3 December 2018. The purpose of the RSU Scheme is to incentivise Directors, senior management and employees for their contribution to the Group; to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

As at 30 June 2022, the trustee of the Company, Ms. Shaoping Fu (the "Trustee") has purchased 62,156,000 shares (representing approximately 7% of the total issued shares of the Company as at 30 June 2022) under the RSU Scheme. A total of 63,967,773 shares (representing approximately 8% of the total issued shares of the Company as at 30 June 2022) have been granted to grantees under the RSU Scheme.

CORPORATE GOVERNANCE PRACTICES

The Company recognised the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company (the “**Shareholders**”) as a whole. The Company has adopted the code provisions set out in Part 2 of Appendix 14 (the “**CG Code**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), as its own code to govern its corporate governance practices.

Save as disclosed below, in the opinion of the Directors, the Company has complied with the code provisions of the CG Code during the Reporting Period.

Under the code provision C.2.1, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organisation structure of the Company, Mr. Junjing Tang is the chairman and chief executive officer of the Company. With extensive experience in the education industry, Mr. Junjing Tang is responsible for overall development, operation and management of the Company and is instrumental to the growth and business expansion since the establishment of the Group. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced individuals. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the provisions of the CG Code.

The Board will continue to review and monitor the operation of the Company with an aim of maintaining a high standard of corporate governance.

NON-COMPLIANCE WITH RULES 3.10(1), 3.10(2), 3.10A, 3.21 AND 3.25 OF THE LISTING RULES

On 4 July 2022, Mr. Peng Xue (“**Mr. Xue**”) resigned as an independent non-executive director of the Company and ceased to act as the chairman of the audit committee of the Company (the “**Audit Committee**”) and a member of the remuneration committee of the Company. Following the resignation of Mr. Xue, the Company fails to meet the following requirements: (i) the requirement that the Board shall comprise with a minimum of three independent non-executive directors, at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise (the “**Qualification**”), and independent non-executive directors represent at least one-third of the Board under Rule 3.10(1), 3.10(2) and 3.10A of the Listing Rules; (ii) the requirement under Rule 3.21 of the Listing Rules and the terms of reference of the audit committee that the audit committee must comprise a minimum of three members, at least one of whom shall be an independent non-executive director with the Qualification as required under Rule 3.10(2) of the Listing Rules, the majority of the audit committee members must be

independent non-executive directors of the company and shall have a chairman; and (iii) the requirement that the remuneration committee must comprise a minimum of three members, and a majority of them shall be independent non-executive directors of the company under Rule 3.25 of the Listing Rules and the terms of reference of the remuneration committee. In order to comply with the Listing Rules, the terms of reference of the audit committee and the terms of reference of the remuneration committee, the Company is endeavoring to identify suitable candidate(s) to fill the vacancy of Mr. Xue as soon as practicable but in any event not later than three months from 4 July 2022 in accordance with the Listing Rules. Further announcement(s) will be made by the Company in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Other than the Shares purchased by the Trustee under the RSU scheme, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee currently comprises Ms. Yu Long and Mr. Wenhui Xu. Mr. Peng Xue ceased to act as the chairman of the Audit Committee on 4 July 2022. The Audit Committee had discussed with the management and reviewed the unaudited interim financial information of the Group for the Reporting Period, and considered that the Company had complied with all applicable accounting standards and requirements and made adequate disclosures.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.beststudy.com. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be dispatched to Shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

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

Hong Kong, 30 August 2022

As at the date of this announcement, the executive directors are Mr. Junjing Tang, Mr. Junying Tang, Mr. Gui Zhou and Ms. Weiyang Guan, the non-executive director is Mr. Wenhui Xu, and the independent non-executive directors are Ms. Yu Long and Mr. Caihe Lin.