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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Offer Shares.

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CHINA EAST EDUCATION HOLDINGS LIMITED

中國東方教育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 667)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by BNP Paribas, on behalf of the International Underwriters, on 4 July 2019 in respect of 4,894,000 additional Shares, representing approximately 1.123% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. No further exercise of the Over-allotment Option will be carried out by BNP Paribas. The Over-allotment Shares will be issued and allotted at HK\$11.25 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that the stabilization period in connection with the Global Offering ended on Thursday, 4 July 2019, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

Further information of stabilizing actions undertaken by the Stabilizing Manager during the stabilization period is set out in this announcement.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by BNP Paribas Securities (Asia) Limited (“**BNP Paribas**”, being the Stabilizing Manager), on behalf of the International Underwriters, on 4 July 2019 in respect of 4,894,000 additional Shares (the “**Over-allotment Shares**”), representing approximately 1.123% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. No further exercise of the Over-allotment Option will be carried out by BNP Paribas.

The Over-allotment Shares will be used to facilitate the return of 4,894,000 Shares of the 65,370,000 Shares borrowed by the Stabilizing Manager from Wu Wei Education pursuant to the Stock Borrowing Agreement, which were used to cover over-allocations in the International Placing.

The Over-allotment Shares will be issued and allotted at HK\$11.25 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

Approval of Listing

Approval for the listing of and permission to deal in the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on 9 July 2019.

Shareholding Structure of the Company upon the Completion of the Partial Exercise of the Over-allotment Option

The shareholding structure of the Company immediately before and after the completion of the partial exercise of the Over-allotment Option is as follows:

Shareholders	Immediately before the partial exercise of the Over-allotment Option		Immediately after the partial exercise of the Over-allotment Option	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Wu Junbao Education	743,743,602	34.1323%	743,743,602	34.0558%
Wu Wei Education	509,386,109*	23.3771%	509,386,109*	23.3247%
Xiao Guoqing Education	490,017,995	22.4882%	490,017,995	22.4378%
Lu Lu Education	52,294	0.0024%	52,294	0.0024%
Other public Shareholders	435,800,000	20%	440,694,000	20.1793%
Total	<u>2,179,000,000</u>	<u>100.00%</u>	<u>2,183,894,000</u>	<u>100.00%</u>

* Inclusive of 65,370,000 Shares borrowed by the Stabilizing Manager.

Use of Proceeds

The additional net proceeds of approximately HK\$54 million, after deduction of underwriting commissions and other expenses in relation to the exercise of the Over-allotment Option, from the issue of the Over-allotment Shares will be applied on a pro-rata basis in accordance with those stated in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that, pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the stabilization period in connection with the Global Offering ended on Thursday, 4 July 2019, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilization actions undertaken by the Stabilizing Manager during the stabilization period involved:

1. over-allocations of an aggregate of 65,370,000 Shares in the International Placing, representing 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
2. borrowing of an aggregate of 65,370,000 Shares by BNP Paribas, the Stabilizing Manager, from Wu Wei Education pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Placing;
3. purchases of an aggregate of 60,476,000 Shares in the price range of HK\$9.64 to HK\$11.24 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase in the course of stabilizing actions was made on 3 July 2019 at the price of HK\$11.22 per Share on the Stock Exchange (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%); and
4. the partial exercise of the Over-allotment Option by BNP Paribas, on behalf of the International Underwriters, on 4 July 2019, in respect of an aggregate of 4,894,000 Shares, representing approximately 1.123% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per Share.

The portion of the Over-allotment Option which has not been exercised by BNP Paribas lapsed on 4 July 2019.

The Shares borrowed from Wu Wei Education pursuant to the Stock Borrowing Agreement will be returned to Wu Wei Education in accordance with the terms of the Stock Borrowing Agreement.

PUBLIC FLOAT

Immediately after the partial exercise of the Over-allotment Option, the number of Shares in public hands represents approximately 20.18% of the total issued share capital of the Company which continues to satisfy the minimum percentage prescribed in the conditions imposed in the waiver granted by the Stock Exchange from strict compliance with Rule 8.08(1) of the Listing Rules.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown in certain tables may not be an arithmetic aggregate of the figures preceding them.

By order of the Board
China East Education Holdings Limited
WU Wei
Chairman

Hong Kong, 4 July 2019

As at the date of this announcement, the board of Directors of the Company comprises Mr. WU Wei and Mr. XIAO Guoqing as executive Directors; Mr. WU Junbao and Mr. LU Zhen as non-executive Directors; and Mr. HUNG Ka Hai, Clement, Mr. CHEUNG Tsun Yung, Thomas and Dr. ZHU Guobin as independent non-executive Directors.