

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ANNOUNCEMENT

POSITIVE PROFIT ALERT

This announcement is made by China East Education Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review and analysis of the consolidated management accounts of the Group for the six months ended 30 June 2019 and other information currently available to the Board, it is expected that Group would record an increase in net profit after tax from continuing operations of at least 40% as compared with that of approximately RMB216 million for the six months ended 30 June 2018. The net profit after tax from continuing operations for the six months ended 30 June 2019 has also taken into account the effects of (i) the share based payment expenses of approximately RMB75 million; (ii) the non-recurring listing expenses amounted to approximately RMB20 million; and (iii) the adoption of Hong Kong Financial Reporting Standard 16 – *Leases* with effect from 1 January 2019 (which resulted in the amortisation of right-of-use assets and interests recognised on lease liabilities) and amounted to an adjustment of expenses of approximately RMB20 million for the period while the net profit after tax from continuing operations for the six months ended 30 June 2018 did not have such expenses for the period.

The Board considers that such increase was mainly attributable to an increase in the number of average students enrolled and an increase in the average tuition/service fee during the period which resulted in the increase in the revenue and the net profit after tax from continuing operations of the Group for the six months ended 30 June 2019.

The information contained in this announcement is based on the preliminary review and assessment by the management of the unaudited management accounts of the Group that have not been reviewed by the Company's audit committee or the independent auditors and are subject to finalization and necessary adjustments (if any). The interim results announcement of the Group for the six months ended 30 June 2019 is expected to be published in August 2019 and the corresponding 2019 interim report will be published subsequently.

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

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

Hong Kong, 22 July 2019

As at the date of this announcement, the Board 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.