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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)

ANNOUNCEMENT

PROFIT WARNING

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 unaudited financial data of the Group for the eleven months ended 30 November 2020 (the “**Period**”) and other information currently available to the Board, it is expected that there will be a decrease of not less than 50% but not more than 70% in the net profit of the Group for the year ending 31 December 2020 as compared to that of the year 2019, and a decrease of not less than 30% but not more than 50% in the adjusted net profit of the Group as compared to that of the year 2019.

Based on the information currently available to the Board, the decreases in the net profit and the adjusted net profit of the Group are primarily attributable to a decrease of approximately not less than 5% but not more than 10% in the revenue of the Company resulted by a decrease of approximately 5% in the number of new student enrollments and new customers registered due to the outbreak of COVID-19 during the Period. Moreover, the decrease in the net profit of the Group is also attributable to an unrealised net exchange losses of approximately RMB150 million to be recognised as a result of mainly the depreciation of Hong Kong dollars possessed by the Group, which consists of proceeds from the initial public offering of shares of the Company, against Renminbi during the Period which is also subject to changes depending on the exchange rate at year end date, while the Group recognised an unrealised net exchange gains of approximately RMB85 million in year 2019.

The information contained in this announcement is based on the preliminary review and assessment by the Board of the unaudited financial data of the Group for the Period that has not been reviewed by the Company's audit committee or the independent auditors and is subject to finalisation and necessary adjustments (if any). The annual results announcement of the Group for the year ending 31 December 2020 is expected to be published in March 2021 and the corresponding 2020 annual 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, 4 December 2020

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.