Virscend Education Company Limited
成實外教育有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1565)

POSITIVE PROFIT ALERT

This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The Board would like to inform the Shareholders and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, the Group is expected to record an increase of not less than 100% in its net profit attributable to owners of the parent for the six months ended 30 June 2016 as compared to that for the corresponding period in 2015.

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

This announcement is made by Virscend Education Company 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 Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, the Group is expected to record an increase of not less than 100% in its net profit attributable to owners of the parent for the six months ended 30 June 2016 as compared to that for the corresponding period in 2015. Such increase is mainly attributable to (i) an increase in revenue generated from the increase in the number of students enrolled and the level of average tuition fees at the schools operated by the Group; (ii) an increase in foreign exchange gain generated from the translation of the Hong Kong dollars bank deposits resulted from the depreciation of Renminbi against Hong Kong dollars; and (iii) a decrease in net profit attributable to non-controlling interests.

As the Company is still in the process of finalizing the interim results of the Group for the six months ended 30 June 2016, the information contained in this announcement is only based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, which have not been reviewed nor audited by the auditor or audit committee of the Company. Such information is subject to finalization and necessary adjustments, if any. Details of the unaudited interim results announcement of the Group for the six months ended 30 June 2016 is expected to be released before the end of August 2016.

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 of
Virscend Education Company Limited
Wang Xiaoying
Chairwoman

Sichuan Province, the PRC, 26 July 2016

As at the date of this announcement, the executive directors of the Company are Ms. Wang Xiaoying, Dr. Xu Ming, Mr. Ye Jiayu and Mr. Yan Yude and the independent non-executive directors of the Company are Mr. Sit Chiu Wing, Mr. Chan Kim Sun and Ms. Xu Dayi.