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Hong Kong Education (Int'l) Investments Limited
香港教育（國際）投資集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1082)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available, the Group is expected to record net loss for the six months ended 31 December 2016 as compared to a net profit of approximately HK$0.79 million for the six months ended 31 December 2015.

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

This announcement is made by Hong Kong Education (Int'l) Investments Limited ("**Company**" together with its subsidiaries, "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**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 ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that, based on its preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 31 December 2016, the Group is expected to record net loss for the six months ended 31 December 2016 as compared to a net profit of approximately HK$0.79 million for the six months ended 31 December 2015. The Board considers that such expected loss was mainly attributable to the loss arising on change in fair value of listed held-for-trading investments of the Group of approximately HK$135.6 million recorded in the six months ended 31 December 2016 as a result of the volatile stock market in Hong Kong during such period and the increase in finance costs as compared to that for the six months ended 31 December 2015 principally as a result of the interest expenses of approximately HK$8.0 million incurred in the six months ended 31 December 2016 on loan notes in the aggregate principal amount of HK$150 million issued by the Company in December 2015.

After the acquisition of a further 492,576,511 shares in Interactive Entertainment China Cultural Technology Investments Limited ("**IE China**"), the shares of which are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (stock code: 8081), the Group held an aggregate of 1,422,572,191 IE China Shares on 9 September 2016, and IE China has been accounted for as an associate of the Company.

The Company is still evaluating the Group's share of the profit or loss and other comprehensive income or expense of its associates (including IE China) and therefore, the loss of the Company for the six months ended 31 December 2016 to be recorded by the Group may be subject to further change.

The information contained in this announcement is only a preliminary assessment by the Board based on currently available information and is not based on any figures or information which has been audited or reviewed by the Company's auditors. The Company is in the process of finalising the consolidated interim results of the Group for the six months ended 31 December 2016. The interim results of the Group for the six months ended 31 December 2016 is expected to be released by the end of February 2017.

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

By order of the Board
Hong Kong Education (Int'l) Investments Limited
Lee Wai Lok, Ignatious
Executive Director

Hong Kong, 9 January 2017

As of the date of this announcement, the executive Directors are Mr. Wong Yuk Tong, Mr. Lee Wai Lok, Ignatious and Ms. Wu Mei Chu; and the independent non-executive Directors are Mr. Ong Chi King, Mr. Lee Shu Fai and Mr. Pun Kwok Shan.