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

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) ("**SFO**").

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, the Group expects to record a substantial increase in net loss for the year ended 30 June 2017 ("**FY2017**") as compared to that for the year ended 30 June 2016 (2016: approximately HK$145.1 million) mainly due to the following reasons:

(i) As a result of the volatile stock market in Hong Kong, the Group expects to record a loss arising on change in fair value of listed held-for-trading investments of the Group of approximately HK$210.8 million, of which the unrealised loss in fair value of the Group's investment in Convoy Global Holdings Limited (stock code: 1019) amounted to approximately HK$168 million.

(ii) The Group expects to record expenses for equity-settled share-based payments for the share options granted by the Company of approximately HK$13.5 million during FY2017.

(iii) The financial results of 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) will also affect the financial results of the Group as IE China has been recorded as an associate of the Group since 9 September 2016. Based on the unaudited first quarterly results of IE China, it recorded a loss attributable to its shareholders of approximately HK$31.1 million during the three months ended 31 March 2017.

Shareholders should note that the Company is still evaluating the accounting impacts to the financial results of the Group for FY2017 on the reclassification of the Group's investment in IE China. Before 9 September 2016, the Group's investment in IE China was recorded as "held-for-trading investments" in the financial statements of the Group. After the acquisition of a further 492,576,511 shares in IE China on 9 September 2016, IE China has been accounted for as an associate of the Group. The Board expects that such reclassification may have a substantial impact to the financial results of the Group for FY2017.

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 annual results of the Group. The annual results of the Group for FY2017 is expected to be released by the end of September 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, 10 July 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.