koolearn
新东方在线

KOOLEARN TECHNOLOGY HOLDING LIMITED
新 東 方 在 綫 科 技 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1797)

PROFIT WARNING

This announcement is made by Koolearn Technology Holding Limited ("**Company**", and 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 ("**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 of the Company ("**Company**") wishes to inform the shareholders of our Company ("**Shareholders**") and potential investors that, based on a preliminary review of our Group's unaudited consolidated management accounts currently available to the Board, our Group is expected to record a substantial net loss for the six months ended 30 November 2019, as compared with a net profit recorded for the six months ended 30 November 2018.

The loss was mainly attributable to: an increase in our Group's (i) administrative expenses; (ii) research and development expenses; and (iii) selling and marketing expenses, compared with the same period last year. The increased expenses were incurred as a result of our Group's continued business expansion, in particular personnel cost to support our growing operations. This is reflective of our Group's continued efforts to invest in upgrading the technological infrastructure underpinning our education products, increasing our teaching staff and services, optimising course portfolio and content development activities, and expanding each of our core business segments, and in particular, expanding the number of geographical cities and provinces entered into by our subsidiary, Beijing Dongfang Youbo Network Technology Co., Ltd.

The information contained in this announcement is only based on the preliminary assessment by our Company's management and our Board of the unaudited consolidated management accounts of our Group for the six months ended 30 November 2019, and have not been reviewed or audited by our Company's auditor or reviewed by the audit committee of our Company. Shareholders and potential investors are advised to carefully read our interim results announcement for the six months ended 30 November 2019, which is expected to be published by the end of January 2020.

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

By order of the Board
Mr. YU Minhong
Chairman

Hong Kong, 31 December 2019

As of the date of this announcement, our Board comprises the following members: Mr. SUN Dongxu, Ms. SUN Chang and Mr. YIN Qiang as executive Directors; Mr. YU Minhong, Mr. WU Qiang, and Ms. LEUNG Yu Hua Catherine as non-executive Directors; and Mr. TONG Sui Bau, Mr. KWONG Wai Sun Wilson and Mr. CHI Yufeng as independent non-executive Directors.