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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE 2020 ANNUAL REPORT AND THE 2021 INTERIM REPORT

Reference is made to the annual report of China East Education Holdings Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) for the year ended 31 December 2020 (the “**2020 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the 2020 Annual Report and 2021 Interim Report.

In addition to the information provided in the 2020 Annual Report and 2021 Interim Report, the Company would like to provide the following supplementary information pursuant to Paragraph 11(8) of Appendix 16 to the Listing Rules in relation to the utilisation of the net proceeds of the Group from the Company’s initial public offering as at 30 June 2021.

As at 30 June 2021, the Company has utilised the net proceeds of approximately RMB1,401 million and the net proceeds have been applied in the manner as set out in the section headed “Future Plans and Use of Proceeds” of the Company’s prospectus dated 30 May 2019 and the announcement of the Company dated 23 April 2021. To the extent that the proceeds from the net proceeds are not immediately applied to the purposes, the Group intends to deposit the temporarily idle raised proceeds into interest-bearing bank accounts with licensed commercial banks and/or authorized financial institutions or to purchase wealth management or other financial products from reputable authorized financial institutions or investment companies.

The following sets forth a summary of the utilisation of the net proceeds from Company's initial public offering as at 30 June 2021:

Purpose	Percentage to total amount	Net proceeds amount* <i>RMB'000</i>	Utilised for	Utilised for	Utilised for	Unutilised amount <i>RMB'000</i>	Schedule for utilisation of remaining proceeds
			the period from 12 June 2019 to 31 December 2019 <i>RMB'000</i>	the year ended 31 December 2020 <i>RMB'000</i>	the six months ended 30 June 2021 <i>RMB'000</i>		
Acquisition of land and construction facilities to establish our five geographical regional centers in Beijing, Shanghai, Guangzhou, Chengdu and Xi'an, or to establish provincial education bases in cities located at our major students recruitment provinces	45%	1,900,433	-	(43,429)	(373,740)	1,483,264	To be fully utilised in the next 5 to 10 years
Establishment of schools in selected markets	15%	633,478	(53,500)	(149,734)	(75,026)	355,218	To be fully utilised in the next 3 to 5 years
Establishment of new majors in both existing and new industry sectors, and conducting research to further innovate our curriculums	15%	633,478	(12,341)	(42,783)	(42,509)	535,845	To be fully utilised in the next 3 to 5 years
Construction of and upgrade our school facilities as well as purchase teaching equipment; and	15%	633,478	(86,387)	(361,079)	(134,738)	51,274	To be fully utilised in the next 3 to 5 years
Funding of our working capital and general corporate purposes	10%	422,318	(10,969)	(11,230)	(3,597)	396,522	To be fully utilised in the next 3 to 5 years
	<u>100%</u>	<u>4,223,185</u>	<u>(163,197)</u>	<u>(608,255)</u>	<u>(629,610)</u>	<u>2,822,123</u>	

* Net proceeds after deducting underwriting commission and issuing expenses incurred during the listing.

The Company will utilize the remaining proceeds in accordance with the progress of the above expansion of our school network and the business development. It is expected that the proceeds will be fully utilised in the next 5 to 10 years but there is no detailed schedule for the utilization of the remaining proceeds. In particular, it is subject to, among others, negotiations and governmental approvals for the Group to acquire land parcels or establish schools.

The Board confirms that the above additional information does not affect other information contained in the 2020 Annual Report and 2021 Interim Report, and save as disclosed above, all other information in the 2020 Annual Report and the 2021 Interim Report remains unchanged.

By order of the Board
China East Education Holdings Limited
WU Wei
Chairman

Hong Kong, 5 October 2021

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, Dr. ZHU Guobin and Dr. ZANG Yunzhi as independent non-executive Directors.