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China Gingko Education Group Company Limited

中國銀杏教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1851)

PROFIT WARNING

This announcement is made by China Gingko Education Group Company Limited (the “**Company**”) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**Interim Period**”) and other information currently available to the Company, as compared to the corresponding period in 2019, the Group is expected to record a decrease in net profit of approximately 8%-15% and a decrease in adjusted net profit of approximately 20%-25% for the Interim Period.

The adjusted net profit represents profit for the period excluding the effects of the expenses related to the listing of the Company’s shares on the Main Board of the Stock Exchange.

The expected decrease of adjusted net profit is primarily due to the decrease in revenue and the increase in administrative expenses. Due to the outbreak of Coronavirus Disease 2019, the Group ceased the operation of canteen and student dormitories since February 2020, revenue from meal catering service fees and boarding fees for the Interim Period are expected to decrease by 93% and 35% respectively when compared with the corresponding period in 2019. The decrease was partially offset by the increase in revenue from tuition fees. The increase in administrative expenses was primarily due to (i) the increase in staff costs due to the increase in headcount during second half of 2019 and the Interim Period and

the increase in business consultancy fees to support the Group's business expansion; and (ii) the increase in operating costs incurred for preparation of the initial operation of the new campus located in Nanxi District, Yibin City, Sichuan Province.

The Company is still in the process of finalising the interim results of the Group for the Interim Period. The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, which has not been reviewed or audited by the Company's auditors and is subject to possible adjustments arising from further review. The interim results of the Group for the Interim Period may be different to the information referred in this announcement. Further details of the Group's financial results and performance will be disclosed in the Company's announcement of interim results for the Interim Period, which is expected to be published by the end of August 2020.

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

By Order of the Board
China Gingko Education Group Company Limited
Fang Gongyu
Chairman

Hong Kong, 17 August 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Fang Gongyu, Mr. Tian Tao, Ms. Yu Yuan and Mr. Ma Xiaoming, and three independent non-executive Directors, namely Mr. Jiang Qian, Mr. Wong Chi Keung and Mr. Yuan Jun.