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CHINA E-LEARNING GROUP LIMITED **中國網絡教育集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08055)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the Shareholders and potential investors that it is expected that the Group will probably record a significant loss for the year ended 31 December 2011 as compared to the results for the corresponding period in 2010.

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

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board of directors (the “**Board**”) of China E-Learning Group Limited (the “**Company**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is expected that the Company and its subsidiaries (the “**Group**”) will probably record a significant loss for the year ended 31 December 2011 as compared to the results for the corresponding period in 2010. The expected loss was mainly due to (i) interest and related expenses incurred on convertible notes in 2011; and (ii) the estimated impairment loss on other accounts receivable in relation to the Company’s investment in its subsidiary, New Beida Business StudyNet Group Limited (“**New Beida**”, together with its subsidiaries, the “**New Beida Group**”) as a result of the less than satisfactory results of the New Beida Group.

The Company has proceeded to prepare its annual results for the year ended 31 December 2011 and to determine the fair value of the above investment for its auditors’ examination. The overall financial results of the Group for the year ended 31 December 2011 will only be ascertained when all these results and financial information are finalised. Details of the Group’s performance will be disclosed as and when the final results for the year ended 31 December 2011 are announced.

The information contained in this announcement is only based on information currently available to the Company and is not based on any figure or information that has been audited or reviewed by the Company’s auditors.

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

By Order of the Board
CHINA E-LEARNING GROUP LIMITED
Chen Hong
Chairman

Hong Kong, 20 February 2012

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chen Hong (Chairman) and Ms. Wei Jianya; three independent non-executive Directors, namely Dr. Huang Chung Hsing, Mr. Cheung Wai Tak and Mr. Wu Tao.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page and the website of the Company at www.chinae-learning.com for at least 7 days from the date of its publication.