

## **Ambow Education CEO Comments on Financial and Operational Progress in the Company's Annual Letter to Shareholders**

BEIJING, Jan. 31, 2019 /[PRNewswire](#)/ -- Ambow Education Holding Ltd. ("Ambow" or the "Company") (NYSE American: AMBO), a leading national provider of educational and career enhancement services in China, today provided its shareholders with the following letter and corporate updates from Dr. Jin Huang, Ambow's President and Chief Executive Officer.

Dear Fellow Shareholders:

I am happy to report that 2018 was a year of great progress for Ambow.

We achieved strong financial results during the first nine months of 2018. Net revenues and gross profit reached US\$52.8 million and US\$19.8 million, respectively, representing growths of 17.3% and 7.0%, compared to the same period in 2017. Our operating expenses as a percentage of net revenues decreased by 10.0% throughout the first nine months of 2018, compared to the first nine months of 2017. As of September 30, 2018, Ambow had strong cash resources of US\$62.1 million. With a strengthened capital and operating structure, our team is working diligently toward balancing our growth, profitability and cost-saving measures.

Additionally, there were a number of significant events that helped to expand the Company's role as a leading innovator in the robust Chinese education market:

- Successful introduction of Ambow's Cross-Border College Program between China and U.S. colleges, starting with Ambow's wholly-owned Bay State College in Boston.
- Ongoing expansion of career enhancement programs within China's high-tech job market offered through a partnership network of more than 200 colleges and 4,000 corporations.
- Increased global awareness of Ambow's business model through hosting and participation in prestigious China and U.S. education conferences.
- Improved corporate visibility and stock liquidity through successful listing on the NYSE American Stock Exchange.

Following the acquisition of Boston-based Bay State College in November 2017, Ambow started to implement significant operational improvements, which continued throughout 2018, as part of our near- and long-term strategic goals, including the restructuring of Bay State's management team, and optimizing the college's operations, financial efficiency and student enrollment.

Starting with Bay State College, we moved quickly to initiate the launch of the first Cross-Border College Program (between China and U.S. colleges) in the fourth quarter of 2018. This program is designed to fulfill demand from Chinese students wanting to earn a bachelor's degree in a popular major, serving as the basic foundation to the start of a career in China or in the United States. The program will allow thousands of Chinese students who now receive three-year diplomas from Chinese colleges - the equivalent of an associate degree from a U.S. college - to continue their education with a two-year advanced education program and earn a bachelor's degree from Bay State College or another U.S. college.

The Cross-Border Program has been very well-received among our Chinese college partners, and certain cooperation agreements and integration plans have already been implemented. This program further validates our mission to provide "Better Schools, Better Jobs, Better Lives" to our students by leveraging Ambow's established expertise, vast resources and diversified channels in the education space. Ambow's unique industry-leading position continues to benefit our core business while we explore additional growth opportunities, including the entry into new verticals.

At Ambow we take great pride in our role as a corporate citizen, investing in career enhancement education and empowering students with the drive and skills to help build a better tomorrow - not only for themselves, but also for the world around them.

The strength of our career enhancement model in China is supported by the partnership network we have established with more than 200 colleges and 4,000 corporations.

By creating tech-focused curricula aligned with dynamic industry demand and coupled with the Company's enormous educational resources and expertise; Ambow has assumed a major role in helping Chinese career colleges and schools address five key industry challenges: curriculum development, qualified faculty, practical training, job placement and international cooperation. As an example, we recently established the first college

big data laboratory in China for one of our college partners to educate students in all aspects of this advanced field, thus preparing them for highly-skilled jobs in emerging and fast-growing IT industries.

Another exciting development in 2018 was the initiation of field testing for our holographic virtual learning environment. The technology was implemented with some of our college partners who, in turn, were inspired by Ambow's innovative approach and have asked us to set up additional programs for them. We are confident that more colleges and institutions will be engaging with Ambow to help improve their competitiveness and presence in the industry.

On October 18, 2018, we successfully hosted a Global College and University President Symposium at Beijing National Stadium (the Bird's Nest) as part of the 19th China Annual Conference for International Education & Expo. This prestigious event accommodated over 300 domestic and foreign college presidents and people in educational leadership positions. We discussed hot topics surrounding the future of career colleges and universities and addressed major challenges to educators globally.

Two weeks later, on October 30-31, I was invited as a representative of Chinese education firms to present at the fourth U.S.-China State and Provincial Education Leaders Dialogue held in Washington, D.C. I was honored to lead a session on the direction of career education in China and the U.S. and discussed how technology is reshaping career education and job markets. As a leading educational services organization, Ambow continues to explore innovative ways to better serve the needs of career colleges and universities to prepare students for the booming IT and technology-driven economy.

As part of Ambow's commitment to connect career-focused schools with leading corporations and develop highly skilled talent for in-demand careers, we jointly published (for the second consecutive year) a whitepaper titled *"2017-2018 Professionals for China's Integrated Circuit Industry"*. Also, during the fourth quarter, Ambow co-sponsored the Global Semiconductor Talents Conference, and co-hosted the 2018 China Integrated Circuit (IC) International Summit Forum in collaboration with the China International Talent Exchange Foundation and a handful of leading partners in the IC industry including Peking University and Synopsys. Our participation at these important conferences and events has reinforced Ambow's outstanding brand influence and unique leadership position in the education and career enhancement space in China.

I believe the most significant single event to secure and accelerate our growth in 2018 and beyond was Ambow's successful capital raise and uplisting to the NYSE American stock exchange in June 2018. To be listed on one of the most prestigious exchanges in the world has provided Ambow with numerous advantages: easier access to capital markets and research coverage, invitations to present at industry conferences, and improved stock activity and volume with greater liquidity for our investors.

As a recognized and highly respected educational services provider, we are excited about the year ahead and our ability to expand Ambow's brand and market position in both the United States and China through continued delivery of our powerful learning platform, the initiatives of entry into new verticals, and a deepening of cross-border relationships with other educational providers.

In conclusion, I want to extend my deepest appreciation to all the parties who contributed to Ambow's progress and success in 2018: our valuable students for their loyalty and enthusiasm, our outstanding partners for their trust and confidence, our dedicated employees for their professionalism and contributions, and our shareholders for their continued support and belief in Ambow's mission and goals.

Looking forward to the road ahead in 2019 and wishing you and your family a healthy and joyful New Year!

Sincerest Regards,

Dr. Jin Huang  
President and Chief Executive Officer  
Ambow Education Holding Ltd.

#### **About Ambow Education Holding Ltd.**

Ambow Education Holding Ltd. is a leading national provider of educational and career enhancement services in China, offering high-quality, individualized services and products. With its extensive network of regional service hubs complemented by a dynamic proprietary learning platform and distributors, Ambow provides its services and products to students in 30 out of the 31 provinces and autonomous regions within China.

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#### **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the outlook and quotations from management in this announcement, as well as Ambow's strategic and operational plans, contain forward-looking statements. Ambow may also make written or oral forward-looking statements in its reports filed or furnished to the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statements, including but not limited to the following: the Company's goals and strategies, expansion plans, the expected growth of the content and application delivery services market, the Company's expectations regarding keeping and strengthening its relationships with its customers, and the general economic and business conditions in the regions where the Company provides its solutions and services. Further information regarding these and other risks is included in the Company's filings with the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date of this press release, and Ambow undertakes no duty to update such information, except as required under applicable law.

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