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China New Higher Education Group Limited

中國新高教集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2001)

CLARIFICATION ANNOUNCEMENT

This announcement is made by China New Higher Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Company noticed that on 10 August 2018, the Draft Implementation Rules for Laws for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》的實施細則(送審稿)) was published by Ministry of Justice of the PRC (中華人民共和國司法部) for public consultation (the “**Draft Implementation Rules**”).

The Company would like to update the shareholders and potential investors that as at the date of this announcement, the Draft Implementation Rules are still in the draft form and have not been approved or have not taken effect yet. There are uncertainties involved in final form of the Draft Implementation Rules and its implementation.

To the best knowledge of the Company, based on the current requirements in the Draft Implementation Rules, after they become effective, they will not have material adverse impact on the business, including the existing operation and potential expansion plan, and financial impact on the Company’s private school operation, because, among others, the Group derives the economic benefits arising from the operating schools within the Group through the entity wholly owned by the Company’s provision of services to them in return pursuant to the structured contracts. For further details of the above the structured contracts, please refer to the section headed “Structured Contracts” of the prospectus of the Company dated 5 April 2017. According to the Company’s PRC legal advisors, the arrangement under the existing structured contracts is valid, legal and binding and does not contravene any current PRC laws and regulations, and the Draft Implementation Rules do not stipulate that they will have retrospective effect.

After the Draft Implementation Rules become final or take effect, the Company will also consider publishing announcement(s) if the final rules have a significant impact on the Company's operation and financials.

Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, it is not aware of any reason for such price movement or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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

By order of the board of
China New Higher Education Group Limited
Li Xiaoxuan
Chairman

Hong Kong, 13 August 2018

As at the date of this announcement, the executive Directors are Mr. Li Xiaoxuan, Mr. Zhao Shuai and Mr. Ding Yu, the non-executive Director is Mr. Chen Shuo, and the independent non-executive Directors are Mr. Wong Man Chung Francis, Mr. Kwong Wai Sun Wilson and Mr. Hu Jianbo.