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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)**

**TERMINATION OF PROPOSED ACQUISITION**

Reference is made to the announcement of the China New Higher Education Group Limited (“**Company**”) dated 27 December 2017 (“**Announcement**”) in relation to, among others, the proposed Acquisition of Xinjiang Institute of Finance & Economics\* (新疆財經大學商務學院). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Board announces that, in view of certain closing condition under the Equity Transfer Agreements not having been satisfied as at the date of this announcement and continuing to pursue the proposed Acquisition may not be in the best interest of the Company and its Shareholders as a whole, on 25 October 2018, after careful consideration, the Board decided to terminate the proposed Acquisition. As at the date of this announcement, the Company is still in negotiation with the counterparties on details of the termination agreement and will publish further announcement(s) to update the Shareholders and the investors in due course, once available. The proceeds from the listing amounting to RMB56 million were used for the funding of the proposed Acquisition and the Company intends to apply such funds to other acquisitions in the future.

The Directors are of the view that the termination of the proposed Acquisition will not have material adverse impact on the operation and financial position of the Group. The Group will continue to actively seek acquisition targets in order to expand the Group’s school network and increase its market penetration and market share in the private higher education sector in the PRC.

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

Hong Kong, 25 October 2018

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