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China Xinhua Education Group Limited

中國新華教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2779)

CLARIFICATION ANNOUNCEMENT

The board of directors (the “**Board**”) of China Xinhua Education Group Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities (the “**Group**”)) wishes to inform the shareholders and the potential investors of the Company that on 10 August 2018, the Ministry of Justice of the People’s Republic of China (“**PRC**”) has issued the review draft of the draft amendments on the Implementation Rules for the Law for Promoting Private Education of the PRC (中華人民共和國民辦教育促進法實施條例(修訂草案)(送審稿) (“**Draft Amendments**”) for public consultation.

After consultation with the Company’s PRC legal advisers, the Company wishes to clarify that the Draft Amendments are still under public consultation and are not yet promulgated or implemented as at the date of this announcement. There is uncertainty regarding the Draft Amendments, including, among others, what the actual content of the law will be as well as the adoption timeline or effective date of the final form of the law. Accordingly, at the current stage, the Company does not expect any material adverse impact of the Draft Amendments on the Group’s business operations.

The Group’s operations remained unaffected by the Draft Amendments as at the date of this announcement. The Company will continue to pay close attention to the development of the Draft Amendments and relevant laws and regulations. The Company will make further announcements as and when appropriate in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save for the Draft Amendments as disclosed in this announcement, it is not aware 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 of the Company and potential investors are advised to exercise caution when dealing in the Company’s shares.

By order of the Board
China Xinhua Education Group Limited
Wu Junbao
Chairman

Hong Kong, 13 August 2018

As at the date of this announcement, the Board comprises one non-executive director, namely Mr. Wu Junbao; three executive directors, namely Mr. Lu Zhen, Mr. Wang Yongkai and Ms. Wang Li; and three independent non-executive directors, namely Ms. Zhang Kejun, Mr. Yang Zhanjun and Mr. Chau Kwok Keung.