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CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated 23 February 2017 (the “**Announcement**”) in relation to, among other things, the formation and subscription of the New Trust. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company noted certain market releases of G8 Education and articles appeared on media recently regarding, among other things, the subscription of shares of G8 Education in February 2017 by the Company and/or CFCG Australia, the request for extension in time for payment of share placement of G8 Education which was due on 17 May 2017, and CFCG Australia has allegedly breached a share placement agreement on the basis of CFCG Australia’s failure to satisfy its payment obligations.

The Company clarifies as follows:

1. As disclosed in the Announcement, (i) CFCG Australia as an applicant has entered into the New Subscription Deed, pursuant to which CFCG Australia has subscribed for 63,841,784 Units at the total price of AUD63,841,784; (ii) the total liability of each holder of the Units shall not exceed the amount of the subscription money of the Units; and (iii) Investorlink has appointed CFCG Australia as its agent to seek suitable investments for the New Trust and provide certain ongoing investment management services in respect of assets included in the New Trust from time to time.
2. CFCG Australia in its capacity as Manager of the New Trust (but not in its own capacity) has entered into a legally binding term sheet regarding the subscription of shares in G8 Education for a total subscription price of AUD212.8 million, of which AUD63.84 million was paid in February 2017 and AUD148.96 million was due on 17 May 2017.
3. The New Trust has applied the total price of AUD63,841,784 paid by CFCG Australia to subscribe for 16,454,068 shares of G8 Education, representing approximately 4.07% of the issued share capital of G8 Education as at the date of this announcement.

4. On 17 May 2017, CFCG Australia in its capacity as Manager of the New Trust (but not in its own capacity) has sent a request to G8 Education for an extension of time for the subscription of shares in G8 Education by the New Trust.
5. CFCG Australia in its capacity as Manager of the New Trust (but not in its own capacity) is still in discussion with G8 Education on the subscription of shares in G8 Education by the New Trust.

By order of the Board
China First Capital Group Limited
Wilson Sea
Chairman and Executive Director

Hong Kong, 19 May 2017

As at the date of this announcement, the Company's executive directors are Mr. Wilson Sea, Mr. Zhao Zhijun, Mr. Tang Mingyang, Mr. Yan Haiting and Ms. Li Dan; the Company's non-executive director is Mr. Li Hua; and the Company's independent non-executive directors are Mr. Chu Kin Wang, Peleus, Mr. Li Zhiqiang and Mr. Chen Gang.