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China Education Group Holdings Limited

中國教育集團控股有限公司

*(incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as “ChinaEdu中教常春藤”)*

(Stock Code: 839)

COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF A UNIVERSITY AND A COLLEGE IN GUANGZHOU

Reference is made to the announcements of the Company dated 14 June 2018 and 3 September 2018 (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that the Transaction is duly completed. Transfer of equity interest and change in the board of directors and the legal representatives of Songtian Company (the 100% co-sponsor of Songtian University and 100% sponsor of Songtian College) have been completed and duly registered with the relevant government departments in the PRC.

In addition, the Company has been notified that the other party in the Co-sponsorship Dispute has dropped all claims on Songtian Company, and has withdrawn its arbitration application from the relevant authority. The relevant authority has duly accepted the withdrawal and the case of arbitration is concluded.

The Board welcomes Songtian University and Songtian College joining the Group and believes their accession would help to address the strong demand for quality higher education in the region and enable the Company to capture strategic development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area as well as to promote the development of the education sector. The Company intends to improve the operational efficiencies of Songtian University and Songtian College, increase their school sizes, optimise their pricing strategies and as a result improve the financial performance of the Company as a whole.

The Company will give full support to Songtian University and Songtian College, enabling them to enjoy improved management, shared resources and synergies, Songtian University and Songtian College would be able to enhance their capability to nurture talents and allow more students to receive high quality education.

By order of the Board
China Education Group Holdings Limited
Yu Guo Xie Ketao
Co-Chairmen

Hong Kong, 26 September 2018

As at the date of this announcement, the executive directors of the Company are Mr. Yu Guo, Mr. Xie Ketao, Dr. Yu Kai and Ms. Xie Shaohua, and the independent non-executive directors of the Company are Dr. Gerard A. Postiglione, Dr. Rui Meng and Dr. Wu Kin Bing.