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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)

ANNOUNCEMENT GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of China Xinhua Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 30 April 2019 (the “**Date of Grant**”), 15,000,000 share options (the “**Share Options**”) to subscribe for the ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) were granted to Mr. Zhang Ming (“**Mr. Zhang**”), an executive Director, under the share option scheme adopted by the Company on 8 March 2018 (“**Share Option Scheme**”) subject to acceptance by Mr. Zhang.

The details of the Share Options granted are as follows:

Each Share Option shall entitle Mr. Zhang to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$2.69 per Share, which represents the highest of (1) the nominal value of a Share; (2) the closing price of HK\$2.66 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and (3) the average closing price of HK\$2.69 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.

Subject to the terms of the Share Option Scheme, the Share Options granted shall vest in accordance with the timetable below, each with an exercise period commencing from the respective Vesting Date and ending on the expiration date of five years after the Vesting Date (for this purpose, the date or each such date on which the Share Options are to vest being hereinafter referred to as a “**Vesting Date**”):

Vesting Date	Percentage of Share Options to vest
30 April 2020	20% of the total number of Share Options granted
30 April 2021	20% of the total number of Share Options granted
30 April 2022	20% of the total number of Share Options granted
30 April 2023	20% of the total number of Share Options granted
30 April 2024	20% of the total number of Share Options granted

Exercise of the Share Options is conditional upon the achievement of certain performance targets of the Group, during the exercise period of the Share Options. Subject to the Listing Rules and the Share Option Scheme, the Board reserves its rights to specify appropriate performance targets and conditions that must be achieved before the exercise of the Share Options by Mr. Zhang at his absolute discretion.

The grant of the Share Options to Mr. Zhang has been approved by the independent non-executive Directors according to Rule 17.04(1) of the Listing Rules. Mr. Zhang has abstained from voting so far as the resolution for the approval of the grant of the Share Options to him was concerned.

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

Hong Kong, 2 May 2019

As at the date of this announcement, our executive Directors are Mr. Zhang Ming, Mr. Lu Zhen and Mr. Wang Yongkai, our non-executive Director is Mr. Wu Junbao, and our independent non-executive Directors are Ms. Zhang Kejun, Mr. Yang Zhanjun and Mr. Chau Kwok Keung.