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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Xinhua Education Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Xinhua Education Group Limited to be held at Conference Room, 9th Floor, Scientific Research Office Building, Anhui Xinhua University, No. 555 Wangjiangxi Road, Hefei City, Anhui Province, PRC on Wednesday, 26 June 2019 at 2:30 p.m. is set out on pages 19 to 23 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaxhedu.com](http://www.chinaxhedu.com)).

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. by 2:30 p.m. on Monday, 24 June 2019) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the proxy shall be deemed to be revoked.

30 April 2019

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>APPENDIX I - DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION</b> .....	11
<b>APPENDIX II - EXPLANATORY STATEMENT</b> .....	16
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	19

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Anhui Education Department”	Department of Education of Anhui Province (安徽省教育廳)
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Conference Room, 9th Floor, Scientific Research Office Building, Anhui Xinhua University, No. 555 Wangjiangxi Road, Hefei City, Anhui Province, PRC on Wednesday, 26 June 2019 at 2:30 p.m. or any adjournment thereof, the notice of which is set out on pages 19 to 23 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	China Xinhua Education Group Limited (中國新華教育集團有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 30 August 2017
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution granting the General Mandate

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huayuan Company”	Huayuan Equity Investment Company Limited (華園股權投資有限公司), a limited liability Company established under the laws of the British Virgin Islands on August 28, 2017 and owned by all partners of Huayuan Partnership
“Huayuan Partnership”	Hefei Huayuan Equity Investment Limited Partnership* (合肥華園股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 11 August 2017 with Mr. Wu acting as its general partner and 31 individuals acting as its limited partners, including Mr. Wu, Ms. Zhou Jiaju (spouse of Mr. Wu), Mr. Wu Shan (son of Mr. Wu), our three executive Directors (namely, Mr. Lu Zhen, Mr. Wang Yongkai and Mr. Zhang Ming) and 26 other employees of the Group
“Latest Practicable Date”	23 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	26 March 2018, the date on which dealings in the Shares commenced on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Junbao (吳俊保), our founder, one of our controlling shareholders (as defined in the Listing Rules), chairman of the Board and a non-executive Director
“PRC”	the People’s Republic of China excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan

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## DEFINITIONS

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“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Xinhua Education Group”	Anhui Xinhua Education Group Co., Ltd.* (安徽新華教育集團有限公司, formerly known as Anhui Xinhua Education Development Co., Ltd.* (安徽新華教育發展有限公司)), a limited liability company established under the laws of the PRC on March 30, 2004, which is owned as to 38.4% by Mr. Wu, 51.6% by relatives of Mr. Wu and 10% by two companies held by Mr. Wu and his relatives
“Xinhua Group”	Anhui Xinhua Group Investment Co., Ltd.* (安徽新華集團投資有限公司) (previously known as Anhui Xinhua Investment Co., Ltd.* (安徽新華投資有限公司)), a limited liability company established under the laws of the PRC on September 1, 1999, which is owned as to 95.70% by Mr. Wu, 0.97% by Mr. Wu Di (son of Mr. Wu) and 3.33% by Huayuan Company. It is the school sponsor of Xinhua University and Xinhua School, and a consolidated affiliated entity of our Company

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## DEFINITIONS

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“Xinhua School”	Anhui Xinhua School* (安徽新華學校), a private formal secondary vocational school that obtained approval from the Anhui Education Department for its establishment on April 11, 2002, of which the school sponsor’s interest is wholly owned by Xinhua Group and a consolidated affiliated entity of the Company
“Xinhua University”	Anhui Xinhua University* (安徽新華學院), a private formal higher education institution whose predecessor is Anhui Xinhua Vocational College (安徽新華職業學院) which obtained approval from The People’s Government of Anhui Province (安徽省人民政府) for its establishment on 18 June 2000. The school sponsor’s interest of Xinhua University is wholly owned by Xinhua Group and a consolidated affiliated entity of our Company
“%”	per cent.

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese or another language which are marked with “\*” and the Chinese translation of company or entity names in English which are marked with “\*” is for identification purpose only.

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LETTER FROM THE BOARD

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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)**

*Non-executive Director*

Mr. Wu Junbao (*Chairman*)

*Executive Directors*

Mr. Zhang Ming

Mr. Lu Zhen

Mr. Wang Yongkai

*Independent Non-executive Directors*

Ms. Zhang Kejun

Mr. Yang Zhanjun

Mr. Chau Kwok Keung

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business in*

*Hong Kong:*

40th Floor, Sunlight Tower

248 Queen's Road East

Wanchai

Hong Kong

30 April 2019

*To the Shareholders*

Dear Sir or Madam

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: i) the granting to the Directors of General Mandate, the Repurchase Mandate and the Extension Mandate and ii) the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the General Mandate to issue Shares. An ordinary resolution no. 5(A) will be proposed at the Annual General Meeting to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new shares in the share capital of the Company up to 20% of the number of issued Shares as at the date of the passing of the resolution in relation to the General Mandate. As at the Latest Practicable Date, there were 1,608,583,000 Shares in issue. Subject to the passing of the above ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 321,716,600 Shares pursuant to the General Mandate.

In addition, subject to a separate approval of the ordinary resolution no. 5(C), the number of Shares purchased by the Company under ordinary resolution no. 5(B), if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20% limit of the General Mandate as mentioned in the ordinary resolution no. 5(A) provided that such additional number shall not exceed 10% of the issued Shares as at the date of the passing of Repurchase Mandate.

### REPURCHASE MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution no. 5(B) will be proposed at the Annual General Meeting to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of the passing of the resolution in relation to the Repurchase Mandate. As at the Latest Practicable Date, there were 1,608,583,000 Shares in issue. Subject to the passing of the above resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 160,858,300 Shares pursuant to the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.



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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Accordingly, Mr. Zhang Ming shall hold office till the Annual General Meeting and be eligible, has offered himself for re-election at the Annual General Meeting.

In accordance with Article 84(1) of the Articles of Association, Mr. Lu Zhen, Mr. Wang Yongkai and Mr. Yang Zhanjun, shall retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors thereat.

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules, which indicate how the Directors to be re-elected contribute to the diversity of the Board.

### PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

#### Procedure and Process for Nomination of Directors

The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive director in accordance with the following selection criteria and nomination procedures:

- (a) identify individuals who are suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Company's Board Diversity Policy, the requirements in the Company's constitution, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experiences, independence and gender diversity;
- (b) assess the independence of independent non-executive Director to determine their eligibility with reference to the factors set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board. If a proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, to assess his/her ability to devote sufficient time to the Board matters; and
- (c) develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to evaluating the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepared a description of the role and capabilities required for a particular appointment.

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## LETTER FROM THE BOARD

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### RECOMMENDATION OF THE NOMINATION COMMITTEE

The Nomination Committee has considered Mr. Yang Zhanjun's extensive experience in education industry, his working profile and other experience and factors as set out in his biographical details in Appendix I to this circular. The Nomination Committee is satisfied that Mr. Yang has the required character, integrity and experience to continuously fulfill his role as an independent non-executive Director effectively. The Board believed that his re-election as the independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole.

Furthermore, Mr. Yang Zhanjun, being independent non-executive Directors eligible for re-election at the Annual General Meeting, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During his appointment, he has demonstrated his ability to provide an independent view to the Company's matters. The Nomination Committee is of the view that he is able to continue to fulfill his role as independent non-executive Director and thus recommends him to the Board for it to propose to Shareholders for re-election at the Annual General Meeting.

### CLOSURE OF REGISTER OF MEMBERS

#### **For Determining the Entitlement to Attend and Vote at the AGM**

The register of members of the Company will be closed from Friday, 21 June 2019 to Wednesday, 26 June 2019, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM to be held on Wednesday, 26 June 2019, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 20 June 2019.

#### **For Determining the Entitlement to the Proposed Final Dividend**

The register of members of the Company will also be closed from Wednesday, 3 July 2019 to Friday, 5 July 2019, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend, during which period no share transfers will be registered. To qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 2 July 2019.

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## LETTER FROM THE BOARD

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### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 19 to 23 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve i) the grant to the Directors of General Mandate, the Repurchase Mandate and the Extension Mandate; ii) the re-appointment of KPMG as auditor and the approval of its remuneration; iii) the declaration of a final dividend of RMB4.77 cents (HK\$5.59 cents) per Share; and iv) the re-election of the retiring Directors.

### FORM OF PROXY

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaxhedu.com](http://www.chinaxhedu.com)). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the Annual General Meeting (i.e. by 2:30 p.m. on Monday, 24 June 2019) or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the General Mandate, the Repurchase Mandate and the Extension Mandate, the re-appointment of auditor, the declaration of final dividend and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board  
**China Xinhua Education Group Limited**  
**Wu Junbao**  
*Chairman*

## APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

*The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, none of the following Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Director has any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

### EXECUTIVE DIRECTORS

**Mr. Zhang Ming** (張明), aged 41, joined the Group in April 2018 and was appointed as an executive Director on 31 October 2018.

Mr. Zhang has 18 years of experience in education management. The following table shows the key working experience of Mr. Zhang:

<b>Period</b>	<b>Company</b>	<b>Position</b>
July 2000 to May 2010	Anhui Xinhua Group Investment Co., Ltd.	Executive deputy principal/principals of the Xinhua computer schools in Jiangxi, Henan and Anhui
May 2010 to April 2018	Anhui Xinhua Education Group Co., Ltd.* (安徽新華教育集團有限公司)	Vice president/executive vice president/president
April 2018 to present	Anhui Xinhua Investment Group Co., Ltd.* (安徽新華投資集團有限公司)	President

Mr. Zhang graduated from Anhui College of Mechanical and Electrical Engineering\* (安徽機電學院, currently known as Anhui Polytechnic University (安徽工程大學)) in July 2000 with a bachelor's degree in textile engineering, and from University of Science and Technology of China (中國科學技術大學) in July 2011 with an executive master of business administration.

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**APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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Mr. Zhang has entered into a service contract with the Company for an initial fixed term of three years commencing from 31 October 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Mr. Zhang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Mr. Zhang is entitled to a director's remuneration of RMB260,000 per year, which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market conditions.

**Mr. Lu Zhen (陸真)**, aged 43, joined the Group in October 2014 and was appointed as an executive Director of the Company on 27 October 2017. Mr. Lu has also been a director of Xinhua Group since October 2015 and the executive vice president of Xinhua Group since May 2017.

Mr. Lu has more than 8 years of experience in education. The following table shows the key working experience of Mr. Lu:

<b>Period</b>	<b>Company</b>	<b>Position</b>
July 1999 to February 2005	Hefei Meiling Co., Ltd.* (合肥美菱股份有限公司)	Business manager
February 2005 to February 2009	Hefei Meiling Home Appliances Industrial and Trading Company Limited* (合肥美菱家電 工貿有限公司)	General manager for Anhui division
August 2009 to November 2011 and December 2013 to October 2014	Xinhua Education Group	Deputy head/marketing operation manager/ general manager of computer business department
November 2011 to November 2013	Shandong Xinhua Computer College* (山東新華電腦 學院)	Deputy principal/ principal
October 2014 to present	Xinhua University	Deputy principal/ executive director/ executive deputy principal
March 2015 to present	Xinhua Group	Assistant to the president/director/ vice president/ executive vice president

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**APPENDIX I    DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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Mr. Lu graduated from Zhengzhou Institute of Textile Industry\* (鄭州紡織工學院, currently known as Zhongyuan University of Technology (中原工學院)) in Zhengzhou City, Henan Province, the PRC with a bachelor degree majoring in mechanical engineering in July 1999 and graduated from Nanjing University (南京大學) in Nanjing City, Jiangsu Province, the PRC with a degree of master of business administration in March 2009.

Mr. Lu has entered into a service contract with the Company for an initial fixed term of three years commencing from 26 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Mr. Lu is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Mr. Lu is entitled to a director's remuneration of RMB260,000 per year, which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market conditions.

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**APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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**Mr. Wang Yongkai** (王永凱), aged 61, joined the Group in March 2003 and was appointed as an executive Director of the Company on 27 October 2017. Mr. Wang has also been a director of Xinhua University since December 2004 and the executive president of Xinhua Group since June 2011. Mr. Wang has more than 14 years of experience in education and financial matters.

The following table shows the key working experience of Mr. Wang:

<b>Period</b>	<b>Company</b>	<b>Position</b>
March 2003 to present	Xinhua Group	Chief financial officer/ deputy general manager/director/ executive president
December 2004 to present	Xinhua University	Director

Mr. Wang obtained the qualification as a senior economist granted by the Personnel Bureau of Hefei City in December 2008. Mr. Wang graduated from Hefei Rural Economic Management Cadre College\* (合肥農村經濟管理幹部學院, currently known as Anhui Economic Management Cadre College\* (安徽經濟管理幹部學院)) in Hefei City, Anhui Province, the PRC majoring in financial accounting and statistics in July 1989 and graduated from China Europe International Business School (中歐國際工商學院) in Shanghai, the PRC with a degree of master of business administration in October 2011.

Mr. Wang has entered into a service contract with the Company for an initial fixed term of three years commencing from 26 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Mr. Wang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Mr. Wang is entitled to a director's remuneration of RMB260,000 per year, which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market conditions.



**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Yang Zhanjun**, aged 49, was appointed as an independent non-executive Director of the Company on 27 October 2017.

The following table shows the key working experience of Mr. Yang:

<b>Period</b>	<b>Company</b>	<b>Position</b>
March 2008 to December 2017	Keiser University	Associate dean of business/vice chancellor of international affairs
February 2018 to present	American Higher Education Alliance	Senior executive

Mr. Yang was awarded a degree of master of business administration from Florida International University in Miami, the U.S., in December 2002.

Mr. Yang has entered into a letter of appointment with the Company for a term of one year commencing from 26 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by Mr. Yang to our Company or with immediate effect following the notice in writing served by our Company to Mr. Yang.

Mr. Yang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the appointment letter, Mr. Yang is entitled to a director's remuneration of RMB150,000 per year, which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market conditions.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue was 1,608,583,000 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 160,858,300 Shares which represent 10% of the total number of issued Shares during the period ending on the earliest of i) the conclusion of the next annual general meeting of the Company; or ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Cayman Companies Law or the Articles of Association; or iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Cayman Companies Law and the Listing Rules. The Cayman Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Cayman Companies Law.

The Directors would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital and/or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their close associates, as defined in the Listing Rules, currently intend to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

No core connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

**TAKEOVER CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Director, Mr. Wu Junbao is interested in 1,150,191,879 Shares held through Wu Junbao Company Limited, a company wholly-owned by Mr. Wu was deemed to be interested in approximately 71.50% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then the attributable interest of Mr. Wu would be increased from 71.50% to approximately 79.44% of the total number of Shares in issue. Such increase would not give rise to a general offer obligation under the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

## SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

Month	Highest	Lowest
	traded prices	traded prices
	<i>HK\$</i>	<i>HK\$</i>
<b>2018</b>		
April	3.33	2.97
May	4.47	3.04
June	4.41	3.29
July	4.13	3.06
August	3.92	2.35
September	2.94	2.2
October	2.46	1.98
November	2.6	2.07
December	2.28	1.88
<b>2019</b>		
January	2.24	1.65
February	3.02	2.14
March	2.94	2.46
April (up to the Latest Practicable Date)	3.12	2.44

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of China Xinhua Education Group Limited (the “**Company**”) will be held at Conference Room, 9th Floor, Scientific Research Office Building, Anhui Xinhua University, No. 555 Wangjiangxi Road, Hefei City, Anhui Province, People’s Republic of China (the “**PRC**”) on Wednesday, 26 June 2019 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended 31 December 2018.
2. a. To re-elect the following retiring directors of the Company (the “**Directors**”):
  - i. Mr. Zhang Ming
  - ii. Mr. Lu Zhen
  - iii. Mr. Wang Yongkai
  - iv. Mr. Yang Zhanjun
- b. To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company.
3. To re-appoint KPMG as auditor of the Company and to authorise the Board to fix its remuneration.
4. To declare a final dividend of RMB4.77 cents (HK5.59 cents) per share for the year ended 31 December 2018.
5. To consider and, if thought fit, to pass (with or without amendments) the following resolutions as ordinary resolutions:
  - (A) “**That:**
    - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
  
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20% of the total number of issued shares of the Company as at the date of passing this resolution; and (if the directors of the Company are so authorised by resolution numbered 5(B)) the aggregate number of shares of the Company bought back by the Company subsequent to the passing of resolution numbered 5(B) (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 5(B).

And the said approval shall be limited accordingly;

- (iv) for the purpose of this resolution:
  - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
  - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) “**Rights Issue**” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**That:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-back and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**That** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5(A) set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5(B) set out in the notice convening this meeting, provided that such amount of shares of the Company shall not exceed 10% of the total number of issued shares of the Company at the date of passing of the said resolutions.”

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

Anhui Province, the PRC, 30 April 2019

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in  
Hong Kong:*  
40th Floor, Sunlight Tower  
248 Queen’s Road East  
Wanchai  
Hong Kong



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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. by 2:30 p.m. on Monday, 24 June 2019) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
4. The transfer books and register of members will be closed from Friday, 21 June 2019 to Wednesday, 26 June 2019, both days inclusive to determine the entitlement of the shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 20 June 2019.
5. In respect of ordinary resolution numbered 4 above, the proposed final dividend will be payable to the shareholders whose names appear on the register of members of the Company on 5 July 2019. The transfer books and register of members of the Company will be closed from 3 July 2019 to 5 July 2019 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 2 July 2019 for registration.
6. In respect of ordinary resolution numbered 2a above, Mr. Zhang Ming, Mr. Lu Zhen, Mr. Wang Yongkai and Mr. Yang Zhanjun shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above Directors are set out in Appendix I to the circular of the Company dated 30 April 2019.
7. In respect of ordinary resolution numbered 5(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances where they consider that the repurchase would be in the best interest of the Company and its shareholders. An explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the general mandate to repurchase shares of the Company, as required by the Listing Rules, is set out in Appendix II to the circular of the Company dated 30 April 2019.

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