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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 5 June 2023 (the “**Date of Grant**”), 71,900,000 share options (the “**Share Options**”) to subscribe for the ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Share**”) were granted to certain eligible persons (the “**Grantees**”) under the share option scheme adopted by the Company on 8 March 2018 (“**Share Option Scheme**”) subject to acceptance by the Grantees.

Each Share Option shall entitle the Grantees to subscribe for one Share upon exercise of such Share Option.

The details of the grant of the Options are as follows:

<b>Date of grant:</b>	5 June 2023
<b>Number of Options granted:</b>	Group A Share Options: 15,000,000 Group B Share Options: 34,000,000 Group C Share Options: 1,500,000 Group D Share Options: 19,300,000 Group E Share Options: 2,100,000 <b>Total:</b> <b>71,900,000</b>
<b>Exercise price of Options granted:</b>	HK\$0.76, which represents the highest of: <ol style="list-style-type: none"><li>(1) the nominal value of a Share;</li><li>(2) the closing price of HK\$0.750 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and</li><li>(3) the average closing price of HK\$0.76 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.</li></ol>

**Closing price of the Shares  
on the Date of Grant:** HK\$0.750

**Exercise period of the Options:** 10 years after the vesting date

**Vesting period of the Options:** Group A Share Options

<b>Vesting date</b>	<b>Percentage of Share Options to vest</b>
5 June 2024	20% of the total number of the Group A Share Options granted
5 June 2025	20% of the total number of the Group A Share Options granted
5 June 2026	20% of the total number of the Group A Share Options granted
5 June 2027	20% of the total number of the Group A Share Options granted
5 June 2028	20% of the total number of the Group A Share Options granted

Group B Share Options

<b>Vesting date</b>	<b>Percentage of Share Options to vest</b>
5 June 2024	25% of the total number of the Group B Share Options granted
5 June 2025	25% of the total number of the Group B Share Options granted
5 June 2026	25% of the total number of the Group B Share Options granted
5 June 2027	25% of the total number of the Group B Share Options granted

Group C Share Options

<b>Vesting date</b>	<b>Percentage of Share Options to vest</b>
5 June 2024	30% of the total number of the Group C Share Options granted
5 June 2025	30% of the total number of the Group C Share Options granted
5 June 2026	40% of the total number of the Group C Share Options granted

## Group D Share Options

<b>Vesting date</b>	<b>Percentage of Share Options to vest</b>
5 June 2024	50% of the total number of the Group D Share Options granted
5 June 2025	50% of the total number of the Group D Share Options granted

## Group E Share Options

<b>Vesting date</b>	<b>Percentage of Share Options to vest</b>
5 June 2024	100% of the total number of the Group E Share Options granted

### **Performance targets:**

The exercise of the Share Options is subject to the Grantees meeting their respective performance targets as determined by the Company. The Group has established a standard performance appraisal system for its directors and employees to evaluate their performance and contribution to the Group based on factors such as his/her business achievements. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.

### **Clawback mechanism:**

Subject to the discretion of the board of the Company, if a Grantee's employment has been terminated by reason of summary dismissal for misconduct or other breach of the terms of his/her employment, any outstanding Share Options granted to him/her shall immediately lapse. With such clawback mechanism in place, the Company would be able to clawback the equity incentives granted to Grantees culpable of misconduct and is in line with the purpose of the Share Option Scheme and the interests of Shareholders.

### **No financial assistance:**

The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares upon the exercise of Share Options under the Share Option Scheme.

Among the Group A Share Options and Group B Share Options, 27,000,000 Share Options were granted to the following Directors:

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Share Options granted</b>
Zhang Ming(張明)	Executive Director	15,000,000 Group A Share Options
Lu Zhen(陸真)	Executive Director	6,000,000 Group B Share Options
Wang Yongkai(王永凱)	Executive Director	6,000,000 Group B Share Options

The granting of the Share Options to the above Directors was approved by all the independent non-executive Directors of the Company according to Rule 17.04(1) of the Listing Rules. The Grantees, who are Directors, have abstained from voting so far as the resolution for the approval of the grant of the Share Options to them was concerned.

To the best knowledge of the Directors, all the other Grantees are employees of the Group and are not a director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them. To the best knowledge of the Directors, as of the date of this announcement, none of the Grantees is (i) a participant with share options granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (ii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. The above grant would not result in the share options granted and to be granted to each Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

Subsequent to the grant of the Options, the number of Shares available for future grant under the scheme mandate pursuant to the Share Option Scheme is 20,200,000.

The Share Option Scheme was adopted before the effective date of the current Chapter 17 of the Listing Rules. The Company will comply with the current Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

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

Hong Kong, 5 June 2023

*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 Mr. Jiang Min, Mr. Yang Zhanjun and Mr. Yao Heping.*