



XIAOXIAO EDUCATION LIMITED

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ASX ANNOUNCEMENT

For Immediate Release

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In accordance with governance of rule 3.1 in the ASX Continuous Disclosure Policy, Xiaoxiao Education Ltd (ASX:XXL) is proud to announce the acquisition of its first childcare facility in Australia. The Breakfast Point Childcare Centre in the suburb of Mortlake, New South Wales, is now wholly owned and operated by the Xiaoxiao Group.

Purchased for \$AUD257,000 sourced from existing cash funds of the Company, the centre is licensed for the care of 25 children, and is currently operating at full capacity. An internal professional management team is responsible for all operational and financial obligations of the centre, while one part time and four full time licensed childcare workers look after the needs of the children.

This marks Xiaoxiao's first entry into the Australian childcare services market, and it is considered a prudent step to cement Xiaoxiao's interests in Australia. Xiaoxiao's listing on the ASX has provided the company with a second direction for expansion, and the procurement of the Breakfast Point Childcare Centre is the first of several acquisitions planned for Australia.

"This move was made after thorough research was conducted into the market. Xiaoxiao identified the current need for high quality childcare services in Australia," said the Chairman of the Board, Madam Yongrong Tong. "Not only will this prove to be a profitable investment for the Company, but it brings Xiaoxiao's ties to the Australian market much closer, which we feel will be a move approved by our Shareholders."

With the acquisition of the Breakfast Point Childcare Centre bringing its total pre-school centers to thirteen. Xiaoxiao Education Limited continues to expand its operations as planned, and will be announcing further asset acquisitions to the market as they unfold.

About Xiaoxiao Education Limited

Xiaoxiao Education Limited (XXL) was listed on the Australian Securities Exchange (ASX) on 2 February 2010.

Xiaoxiao operates a highly successful childhood education business in China with over 4,000 enrolled students and in excess of 4,000 additional children attending extra-curricular programs out of school hours and during holiday periods.

In addition, Xiaoxiao has approximately 6,570 students attending short courses at its Hangzhou Binjiang Art Training School. All of Xiaoxiao's established facilities are full to capacity. The company employs over 500 staff.

With an established and highly successful track record earned over 14 years; an existing portfolio of well located kindergartens; the adoption of quality international standards and breakthrough teaching methodologies; outstanding facilities; a scalable management structure, and an emphasis on teaching English as a second language during the important early childhood years, Xiaoxiao Education is well positioned to continue to lead the private pre-school education market in China and to develop similar opportunities elsewhere.

For further information please contact:

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