



XIAOXIAO EDUCATION LIMITED

ACN 140 573 762

Level 14 | 100 King William Street | Adelaide SA 5000 | Australia

QUARTERLY 4C LODGEMENT COMMENTARY
FOR IMMEDIATE RELEASE

29th October 2012

Xiaoxiao Education Ltd (ASX: XXL) attaches its September 2012 4C quarterly report.

The company would like to take this opportunity to reiterate its position on its financial stability.

The company has a stringent expendables planning system in place to ensure the viable operation of its facilities in China.

In the case of any unforeseen situations requiring large injections of cash, the Chairman of Xiaoxiao Education Ltd, Madam Tong YongRong, has agreed to underwrite these activities.

Yours Truly,

Rita Wang
Company Secretary
Xiaoxiao Education Ltd

For further information please contact:

Rita Wang
Company Secretary
Xiaoxiao Education Ltd
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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Xiaoxiao Education Limited

ABN

26 140 573 762

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (...9... months) \$A'000
1.1	Receipts from customers	2,948	5,895
1.2	Payments for		
	(a) staff costs	(925)	(2,817)
	(b) advertising and marketing	(5)	(17)
	(c) research and development	-	-
	(d) leased assets	(149)	(452)
	(e) other working capital	(93)	(399)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	(a) Children catering and consumables	(235)	(790)
	(b) Statutory and Compliance	-	-
	(c) Travel	(14)	(36)
	(d) Others	(40)	(130)
Net operating cash flows		1,487	1,254

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	Current quarter \$A'000	Year to date (...9... months) \$A'000
1.8 Net operating cash flows (carried forward)	1,488	1,254
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to related entities	(867)	(1,049)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(867)	(1,049)
1.14 Total operating and investing cash flows	620	205
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	209	738
1.18 Repayment of borrowings	(4)	(8)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	205	730
Net increase (decrease) in cash held	825	935
1.21 Cash at beginning of quarter/year to date	283	137
1.22 Exchange rate adjustments to item 1.20	(2)	34
1.23 Cash at end of quarter	1,106	1,106

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	160
1.25 Aggregate amount of loans to the parties included in item 1.11	-
1.26 Explanation necessary for an understanding of the transactions	
Item 1.17 represents proceeds from loans from a director of the company Item 1.18 represents repayment of loan from a director of the company Item 1.24 represents directors fees paid to current directors of the company	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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Reconciliation of cash

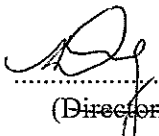
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,106	283
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	1,106	283

Acquisitions and disposals of business entities

	Acquisitions \$A'000 (Item 1.9(a))	Disposals \$A'000 (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net asset	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 29.10.2012
 (Director/Company secretary)

Print name: RITA YVAN WANO

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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