卓越教育

**China Beststudy Education Group**
**卓越教育集團** *

*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 3978)**

# INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

## FINANCIAL HIGHLIGHTS

| | **For the six months ended 30 June** | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | *%* |
| | **(Unaudited)** | (Unaudited) | |
| Revenue | **1,048,065** | 917,139 | 14.3 |
| Gross Profit | **473,318** | 413,139 | 14.6 |
| Net Profit | **168,371** | 151,537 | 11.1 |
| Adjusted Net Profit | **168,564** | 151,780 | 11.1 |

In this announcement, "we", "us" and "our" refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the "**Board**") of directors (the "**Director(s)**") of China Beststudy Education Group (the "**Company**", and together with its subsidiaries, collectively the "**Group**") announces the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025 as follows:

* *For identification purposes only*

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | Notes | For the six months ended 30 June **2026** *RMB'000* **(Unaudited)** | 2025 *RMB'000* (Unaudited) |
|---|---|---|---|
| Revenue | *3&4* | **1,048,065** | 917,139 |
| Cost of sales | | **(574,747)** | (504,000) |
| Gross profit | | **473,318** | 413,139 |
| Other income | | **10,536** | 13,666 |
| Other gains and losses | | **(8,612)** | 5,111 |
| Selling expenses | | **(71,580)** | (62,456) |
| Administrative expenses | | **(116,897)** | (114,656) |
| Other operating expenses | | **(57,668)** | (54,128) |
| Fair value changes on financial assets at fair value through profit or loss ("**FVTPL**") | *9* | **2,780** | 3,729 |
| Loss on disposal of investments in subsidiaries | | **(356)** | – |
| Impairment losses (including reversals of impairment losses or impairment gains) on financial assets | | **(5,507)** | 525 |
| Share of results of associates | | **23** | (971) |
| Share of results of joint ventures | | **–** | (512) |
| Finance costs | | **(6,149)** | (7,151) |
| Profit before tax | | **219,888** | 196,296 |
| Income tax expense | *5* | **(51,517)** | (44,759) |
| Profit and total comprehensive income for the period | | **168,371** | 151,537 |
| Profit (loss) and total comprehensive income (expense) for the period attributable to: | | | |
| – owners of the Company | | **170,003** | 151,255 |
| – non-controlling interests | | **(1,632)** | 282 |
| | | **168,371** | 151,537 |
| **EARNINGS PER SHARE** | | | |
| – Basic | *8* | **RMB22.20 cents** | RMB19.92 cents |
| – Diluted | *8* | **RMB22.14 cents** | RMB19.57 cents |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2026*

| | Notes | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **92,783** | 89,738 |
| Right-of-use assets | | **308,937** | 313,393 |
| Investment properties | | **11,500** | 11,500 |
| Intangible assets | | **94,014** | 75,273 |
| Investments in associates | | **14,653** | 14,630 |
| Financial assets at FVTPL | *9* | **7,975** | 8,074 |
| Long-term time deposits | | **410,000** | 300,000 |
| Deferred tax assets | | **53,347** | 39,128 |
| Prepayments for purchases of non-current assets | | **5,823** | 9,717 |
| | | **999,032** | 861,453 |
| **CURRENT ASSETS** | | | |
| Financial assets at FVTPL | *9* | **614,548** | 205,316 |
| Debt instruments measured at amortised cost | *10* | **5,442** | 11,249 |
| Prepayments, deposits and other receivables | | **130,829** | 125,224 |
| Amounts due from an associate | | **363** | 363 |
| Amounts due from related parties | | **160** | 160 |
| Other current assets | | **676** | 493 |
| Short-term time deposits | | **113,509** | 183,000 |
| Restricted bank deposits | | **85,817** | 73,034 |
| Cash and cash equivalents | | **347,137** | 823,835 |
| | | **1,298,481** | 1,422,674 |
| **CURRENT LIABILITIES** | | | |
| Other payables and accruals | | **354,853** | 334,336 |
| Contract liabilities | | **627,080** | 675,878 |
| Income tax liabilities | | **86,823** | 88,482 |
| Lease liabilities | | **98,904** | 97,714 |
| | | **1,167,660** | 1,196,410 |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

*As at 30 June 2026*

| | *Notes* | **30 June 2026** **RMB'000** **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|---|
| **NET CURRENT ASSETS** | | **130,821** | 226,264 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **1,129,853** | 1,087,717 |
| **NON-CURRENT LIABILITIES** | | | |
| Deferred tax liabilities | | **5,950** | 7,000 |
| Lease liabilities | | **232,752** | 238,365 |
| | | **238,702** | 245,365 |
| **NET ASSETS** | | **891,151** | 842,352 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | *11* | **303** | 303 |
| Reserves | | **884,288** | 833,857 |
| Equity attributable to owners of the Company | | **884,591** | 834,160 |
| Non-controlling interests | | **6,560** | 8,192 |
| **TOTAL EQUITY** | | **891,151** | 842,352 |

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 27 August 2010 as an exempted company with limited liability under the laws of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. As at 30 June 2026, the Company does not have any controlling shareholder or ultimate controlling shareholder as there was no shareholder who could control more than half of the voting rights of the Board of the Company or at the general meetings in accordance with the shareholding percentage, the articles of association of the Company or any agreements. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2026 interim report.

The Company is an investment holding company. The principal activities of the Group are providing comprehensive talent business, tutoring program, full-time test preparation and other services.

## 2.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standard Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

## 2.2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than change in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRS**") Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

**Application of amendments to IFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

| | |
|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards – Volume 11 |

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE

**Disaggregation of revenue from contracts with customers**

| | **For the six months ended 30 June 2026** | | | | |
|---|---|---|---|---|---|
| | **Comprehensive talent business** *RMB'000* **(Unaudited)** | **Tutoring programs** *RMB'000* **(Unaudited)** | **Full-time test preparation** *RMB'000* **(Unaudited)** | **Others** *RMB'000* **(Unaudited)** | **Total** *RMB'000* **(Unaudited)** |
| **Timing of revenue recognition** | | | | | |
| Services transferred at a point in time | **3,227** | **–** | **–** | **–** | **3,227** |
| Services transferred over time | **861,826** | **97,854** | **85,158** | **–** | **1,044,838** |
| | **865,053** | **97,854** | **85,158** | **–** | **1,048,065** |

| | For the six months ended 30 June 2025 | | | | |
|---|---|---|---|---|---|
| | Comprehensive talent business *RMB'000* (Unaudited) | Tutoring programs *RMB'000* (Unaudited) | Full-time test preparation *RMB'000* (Unaudited) | Others *RMB'000* (Unaudited) | Total *RMB'000* (Unaudited) |
| **Timing of revenue recognition** | | | | | |
| Services transferred at a point in time | 1,288 | – | – | – | 1,288 |
| Services transferred over time | 722,036 | 88,864 | 101,269 | 3,682 | 915,851 |
| | 723,324 | 88,864 | 101,269 | 3,682 | 917,139 |

## 4. OPERATING SEGMENTS

The following is an analysis of the Group's entity-wide revenue and results as the chief operating decision makers currently regularly review the consolidated financial results of the Group. Therefore, the Group has one single operating and reportable segment.

**Revenue from major products and services**

The following is an analysis of the Group's revenue from its major products and services:

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Comprehensive talent business | **861,826** | 722,036 |
| Tutoring programs | **97,854** | 88,864 |
| Full-time test preparation | **85,158** | 101,269 |
| Sales of talent education materials | **3,227** | 1,288 |
| Others | **–** | 3,682 |
| | **1,048,065** | 917,139 |

## 5. INCOME TAX EXPENSE

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Current tax: | | |
| PRC Enterprise Income Tax ("**EIT**") | **63,167** | 50,477 |
| PRC withholding income tax on profits earned from PRC subsidiaries | **4,055** | 5,000 |
| Over provision in respect of prior period | **(437)** | (16,984) |
| | **66,785** | 38,493 |
| Deferred tax (credit) expense | **(15,268)** | 6,266 |
| | **51,517** | 44,759 |

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and therefore is not subject to income tax.

**Hong Kong profits tax**

For the six months ended 30 June 2026 and 2025, Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Reporting Period.

**PRC EIT**

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Reporting Period (six months ended 30 June 2025: 25%).

The group entities operating in the Chinese Mainland are eligible for certain tax concessions and were entitled to reduce PRC income taxes during the Reporting Period. From 1 January 2023 to 31 December 2027, the group entities certified as small and micro-sized enterprises enjoy a 25% reduction of taxable income and the preferential EIT rate of 20%.

EIT of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Chinese Mainland during the Reporting Period.

## 6. PROFIT FOR THE REPORTING PERIOD

Profit for the Reporting Period has been arrived at after charging:

| | **For the six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Auditor's remuneration | **1,300** | 1,270 |
| Depreciation of property, plant and equipment | **17,146** | 11,906 |
| Depreciation of right-of-use assets | **54,939** | 49,185 |
| Amortisation of intangible assets | **3,473** | 1,874 |
| Total depreciation and amortisation *(i)* | **75,558** | 62,965 |
| Research and development costs recognised as an expense (included in other operating expenses) *(ii)* | **57,636** | 54,095 |
| Directors' and chief executive's emoluments | **6,656** | 4,792 |
| Staff salaries and benefits | **540,218** | 433,343 |
| Staff retirement benefits schemes contributions | **26,365** | 20,786 |
| Recognition of share-based payments | **193** | 243 |
| Total staff costs *(i)* | **573,432** | 459,164 |
| Less: capitalised in intangible assets | **(4,657)** | – |
| **Total** | **568,775** | 459,164 |

*Notes:*

(i) Staff costs of RMB426,642,000 (six months ended 30 June 2025: RMB319,982,000) and depreciation and amortisation expenses of RMB67,372,000 (six months ended 30 June 2025: RMB57,538,000) were included in "**cost of sales**" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

(ii) Staff costs of RMB42,409,000 (six months ended 30 June 2025: RMB43,339,000) and depreciation and amortisation expenses of RMB2,402,000 (six months ended 30 June 2025: RMB920,000) were included in research and development costs.

## 7. DIVIDEND

The Board resolved to declare an interim dividend of RMB15.5 cents per share (equivalent to HK$18.0 cents per share) for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB10.7 cents per share (equivalent to HK$11.8 cents per share)).

A final dividend in respect of the year ended 31 December 2025 of RMB10.6 cents per share (equivalent to HK$11.7 cents per share) amounting to RMB90,128,000 (equivalent to HK$99,156,000) was proposed by the Board on 19 March 2026 and has been approved by the shareholders at the annual general meeting held on 6 May 2026. The dividends have been distributed in May 2026 amounting to RMB78,751,000 (2024 final dividend paid for the six months ended 30 June 2025: RMB86,563,000).

The difference between dividends recognised as a distribution disclosed in consolidated statement of changes in equity represented the dividends paid to the Group's restricted share unit ("**RSU(s)**") scheme ("**RSU Scheme**"), which was adapted to hold the shares held for the RSU Scheme in the condensed consolidated statement of changes in equity.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per ordinary share attributable to owners of the Company is based on the following data:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **Earnings** | | |
| Profit for the purpose of basic earnings per share and dilutive earnings per share | **170,003** | 151,255 |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | **765,722,050** | 759,287,754 |
| Effect of dilutive potential shares: | | |
| Unvested share awards | **2,034,197** | 13,428,778 |
| Weighted average number of ordinary shares for the purpose of dilutive earnings per share | **767,756,247** | 772,716,532 |
| Basic earnings per share | **RMB22.20 cents** | RMB19.92 cents |
| Diluted earnings per share | **RMB22.14 cents** | RMB19.57 cents |

*Note:* The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the shares held for the Company's restricted share unit scheme.

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| **Non-current:** | | |
| Unlisted equity investments | **7,975** | 8,074 |
| | **7,975** | 8,074 |
| **Current:** | | |
| Wealth management products issued by financial institutions *(i)* | **109,946** | 45,600 |
| Funds *(i)* | **13,445** | 13,445 |
| Unlisted trust plans and asset management plans *(i)* | **7,496** | 7,496 |
| Funds issued by financial institutions *(ii)* | **483,661** | 138,775 |
| | **614,548** | 205,316 |
| | **622,523** | 213,390 |

*Notes:*

(i) Wealth management products issued by financial institutions, funds, unlisted trust plans and asset management plans were denominated in RMB at aggregate amounts of RMB130,887,000 (31 December 2025: RMB66,541,000), with rate of return ranging from 1.9% to 7% (31 December 2025: 2.5% to 7%) per annum. As at 30 June 2026, unlisted trust plans and funds pledged with collaterals of properties with a carrying amount of RMB20,941,000 (31 December 2025: RMB20,941,000) were overdue without being redeemed pursuant to the terms of the subscription agreements.

(ii) The funds issued by financial institutions represent pooled investment vehicles with underlying investments including mutual funds and financial products. The fair values of the funds are determined based on the quoted valuation by the financial institutions.

(iii) Amounts recognised in profit or loss:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **Non-current:** | | |
| Unlisted equity investments | **(99)** | 671 |
| **Current:** | | |
| Wealth management products issued by financial institutions | **2,005** | 474 |
| Funds issued by financial institutions | **874** | 2,719 |
| Listed equity investments | **–** | (135) |
| | **2,879** | 3,058 |
| | **2,780** | 3,729 |

## 10. DEBT INSTRUMENTS MEASURED AT AMORTISED COST

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Corporate debts | **5,442** | 11,249 |
| Analysed for reporting purposes as: | | |
| – current assets | **5,442** | 11,249 |

Debt instruments measured at amortised cost are debt assets with guaranteed returns using interest rates per annum ranging from 5% to 7% (31 December 2025: 5% to 7%). They are denominated in RMB.

As at 30 June 2026, debt instruments with gross carrying amount of RMB85,184,000 (31 December 2025: RMB85,184,000) were past due and among which, RMB56,209,000 (31 December 2025: RMB56,209,000) were pledged with collaterals of equity instruments (31 December 2025: equity instruments). Included in the carrying amount of debt instruments measured at amortised cost as at 30 June 2026 is accumulated impairment losses of RMB79,741,000 (31 December 2025: RMB73,935,000).

## 11. SHARE CAPITAL OF THE COMPANY

| Ordinary shares of United States dollars ("**US$**") 0.00005 each | **Number of shares** | | **Share capital** | |
|---|---|---|---|---|
| | **30 June 2026** | 31 December 2025 | **30 June 2026** | 31 December 2025 |
| | ***'000*** | *'000* | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) | **(Unaudited)** | (Audited) |
| **Authorised** | | | | |
| At beginning and end of period | **3,000,000** | 3,000,000 | **1,070** | 1,070 |
| **Issued and fully paid** | | | | |
| At beginning and end of period | **847,221** | 847,221 | **303** | 303 |

*Note:*

During the six months ended 30 June 2026, the Company repurchased 24,061,000 shares of its own ordinary shares on The Stock Exchange of Hong Kong Limited for equity incentive purposes under the RSU Scheme, with the total consideration paid of HK$78,119,000 (approximately RMB68,110,000) (for the six months ended 30 June 2025: HK$3,132,000 (approximately RMB2,869,000)). The 24,061,000 (for the six months ended 30 June 2025: 719,000) shares repurchased during the Reporting Period were not cancelled. During the Reporting Period, none of the Company's subsidiaries sold or redeemed any of the Company's listed securities.

## MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS OVERVIEW

During the Reporting Period, the Company's overall operations remained stable, achieving revenue of approximately RMB1,050 million, net profit attributable to the owners of the Company of approximately RMB170 million, and net cash inflow from operating activities of approximately RMB180 million. The Company achieved basic earnings per share of RMB22.2 cents during the Reporting Period, net assets per share of RMB1.2 at the end of the Reporting Period, and a return on net assets of 19.2%.

## PERFORMANCE REVIEW

### I. Upholding high-quality teaching and winning recognition for products and services

Adhering to the core value of "all for the sake of children's healthy growth", the Company always puts teaching quality and reputation first, becoming an education brand in the Greater Bay Area trusted by parents and loved by children. The Company implements closed-loop management of the entire process of "before class – during class – after class", and strictly guarantees teaching quality. During the Reporting Period, the Company's overall business achieved steady growth, fully demonstrating users' high recognition of the Company's teaching quality and service capabilities.

### II. Deepening our presence in the core market of the Greater Bay Area and adding a new dimension to our regional expansion

During the Reporting Period, the Company continued to deepen its presence of the core market of the Greater Bay Area, achieving significant results in regional expansion. In terms of Guangzhou market, leveraging the brand reputation and teaching quality accumulated over years of dedicated operations, the number of enrollments maintained a steady upward trend during the Reporting Period, further consolidating the Company's market foundation. The Foshan market sustained its high-speed growth momentum, and its brand influence further expanded. The Shenzhen market, relying on years of accumulated experience in teaching and research, teacher training and management in Guangzhou, the Company continued to refine its product and service offerings in light of local characteristics. Following preliminary adjustments and optimisation, the number of enrollments during the Reporting Period recorded a significant year-on-year increase, with the benefits of regional expansion gradually materialising. The Company's capability to replicate its products and services at scale has been steadily enhanced. In the first half of the year, the Group established a new campus in Jiangmen, which commenced operations successfully, marking a further expansion of the Company's business footprint in the Greater Bay Area.

## III. Continuing to deepen AI strategy, with large model completing filing

During the Reporting Period, the Company steadfastly advanced its "ALL IN AI" strategy, continuously promoting the application of AI across various business segments, including teaching research and management, marketing, operations management, and talent recruitment, training, and development, achieving milestones along the way.

In terms of teaching, the Company's independently developed "Beststudy Large Model (卓越教育大模型)" officially passed the national generative artificial intelligence service filing on 23 June 2026, laying a secure foundation for the large-scale application of AI in teaching scenarios. Based on this, the Company has continuously upgraded its core teaching system, "Whale Education (鯨准教)", with AI capabilities around the new "teacher-machine-student" education model, and has developed a series of AI tools to empower teachers to enhance teaching efficiency. On the operational front, the Company has driven the deep integration of AI into its marketing and operations, delivering personalised services to users and parents and enhancing front-line operational efficiency. In addition, the Company has actively fostered a positive atmosphere for AI learning and application. During the Reporting Period, the Company organised various activities, including the 3rd AI Learning in Practice Festival and the 1st "OpenClaw (龍蝦)" Innovation Competition. Several intelligent agents and AI assistants were incubated during the competitions and have been widely adopted across various departments, contributing to the Group's overall quality and efficiency enhancement.

## IV. Expanding the principal talent reserve and providing long-term incentives for core personnel

The Company has always regarded talent as its most valuable asset, and insists on systematic cultivation and long-term incentive mechanisms to inject continuous momentum into organisational development.

In terms of faculty and operational training, in addition to the regular training provided for the teaching and operational teams, the Company has significantly strengthened its efforts in cultivating principal talent this year. This is achieved by expanding the sources of principal reserves through both campus and social recruitment, and by establishing a systematic training system to build a principal talent pipeline that aligns with the Company's values, thereby reserving core management strength for future large-scale expansion.

In terms of incentives for core personnel, the second tranche of the 2024 grant under the Company's RSU Scheme vested during the Reporting Period. At the same time, the Company has launched a new tranche of its equity incentive scheme targeting talent who play a crucial role in business development, aiming to motivate them to work together with the Company and achieve even greater success over the next three years.

## V. Staying committed to shareholder returns by enhancing investment value

The Company has always attached importance to enhancing shareholder returns and investment value. On 3 January 2025, the Company released an announcement relating to the "Three-Year Dividend Distribution Plan", under which it plans to gradually increase the dividend payout ratios from 2025 to 2027 to 50%, 60% and 70% of the net profit attributable to the owners of the Company for the preceding year, and to make the payment in two installments by way of final and interim dividend. During the Reporting Period, the Company has, based on the financial position for the second half of 2025, paid a final dividend of HK$11.7 cents per share to all shareholders. Based on the financial position for the first half of 2026, the Board has resolved to pay an interim dividend of HK$18.0 cents per share.

In addition, the Company highly values investor relations management and information disclosure. The Company maintains close communication with investors through result announcements, investor exchange meetings, offline campus research and other means, to deliver information about the Company on a timely, accurate and transparent basis, with efficient response to investors' concerns, and fully-opened channels to shareholders' views and suggestions.

## VI. Fulfilling social responsibility and demonstrating corporate commitment

The Company has always upheld its mission of "Cultivating Excellent Talents to Power the Country's Future", integrating social responsibility into the lifeblood of its corporate development.

In terms of caring for special groups, the Company raised funds through a charity sale at the Spring Festival flower market to assist people in need and elderly people living alone; the Company visited and comforted families with children in distress, delivering heartwarming supplies; and the Company launched a summer care initiative to pay tribute to food delivery riders, express delivery personnel, and frontline community volunteers.

In terms of supporting the growth of young people, the Company sponsored the 10th "Spring Farming Experiential Camp" targeted for the youth in Guangdong-Hong Kong-Macao Greater Bay Area to support the integrated development of young people in the Greater Bay Area; the Company also organised employees and their children to participate in the Rural Children's Campus Esthetic Education Festival, providing a platform for rural children to showcase themselves and thereby conveying corporate warmth through practical actions.

## FUTURE PROSPECTS

### I. Focusing on high-quality development and delivering exceptional quality for price

As the industry gradually enters a development stage of standardisation and maturation, market supply is becoming increasingly abundant, while parents' educational needs are growing clearer and more diverse, and the dynamics of the industry is changing accordingly. The core competitiveness of enterprises has gradually focused on teaching and service quality. In response to changes in the industry's development stage, the Company has proactively adapted to trends and established high-quality development as the central theme for future development, addressing market challenges and consolidating the foundation of corporate development through long-term strategic positioning.

Delivering educational services that offer exceptional quality for price is a key driver for the Company in promoting high-quality development. Compared to the traditional concept of "value for price", our "quality for price" consistently prioritises product and service quality. In the future, the Company will focus its efforts in two directions: on one hand, we will increase investment in teaching research and teaching staff, applying AI technology to empower personalised teaching and continuously improve teaching quality; on the other hand, we will deepen the application of AI technology in our operations to continuously enhance organisational efficiency.

### II. Promoting the implementation and application of AI in educational scenarios

Going forward, the Company will leverage the core capabilities of the "Beststudy Large Model (卓越教育大模型)" to further deepen the implementation and application of AI across all educational scenarios. On the one hand, the Company will continue to upgrade "Whale Education (鯨准教)" with AI, further exploring the in-depth application of AI in comprehensive talent business centered on the new "teacher-machine-student" educational model, creating more replicable intelligent teaching products, and planning to launch more new AI functions to continuously enrich AI-empowered scenarios and provide users with a more comprehensive intelligent learning experience.

The Company will continue to proactively foster a positive atmosphere for AI learning and application, deepen the implementation of internal intelligent agents, AI assistants and skill libraries, and continuously enhance the AI learning and application capabilities of all employees. Through various initiatives such as regular training, competition incentives and tool empowerment, the Company will drive the evolution of AI capabilities from "tool application" to "business empowerment", enhance the organisation's AI capabilities, and build a team with AI thinking and AI execution capabilities, thereby providing solid talent and technical support for the sustained growth of its business.

## III. Leveraging the benefits of the Bay Area to expand business growth

According to the Statistical Communique on the 2025 National Economic and Social Development, Guangdong Province has been the largest province in the PRC in terms of permanent population for 19 consecutive years, with an increase in 790,000 permanent residents. It ranks first in total population, increase in permanent population, and births. The proportion of the residents' education, culture and entertainment consumption expenditure in the province over the residents' total consumption expenditure has increased from 8.6% in 2020 to 12.0% in 2025. For Guangdong Province, the continued strong population attraction, high-quality talent aggregation effect and strong willingness to invest in education have provided a solid development foundation and strong demand for high-quality education for the regional education market.

The Company will continue to deepen its presence in the core market of the Greater Bay Area, taking Guangzhou as its foundation, Shenzhen and Foshan as its wings, and emerging markets such as Zhuhai, Dongguan and Jiangmen as its fulcrums, to gradually build a high-quality education service network covering the major cities of the Greater Bay Area. As the Company's ability for large-scale replication of its products and services continues to strengthen, and AI technology deeply empowers the quality of teaching and operational efficiency, the Company is expected to achieve high-quality expansion into more regional markets, providing more children and families with access to outstanding quality education services, thereby creating broader growth opportunities for the Company's long-term sustainable development.

## IV. Optimising shareholder returns and fulfilling value commitments

The Company has always placed great importance on its long-term commitment to shareholders, striving to create stable and sustainable value returns for shareholders and sharing the results of development with them.

The Company plans to repurchase and cancel 30,000,000 purchased shares from the trustee of the restricted share unit scheme in the second half of 2026. For details, please refer to the announcement of the Company relating to the share repurchase and cancellation plan dated 3 July 2026.

## V. Adhering to long-termism to create long-term value

Long-termism is the core philosophy for the Company to navigate through cycles and achieve steady and sustained growth, and it is also an important path for us to create sustainable value. The Company will adhere to long-termism, anchor itself to the main theme of high-quality development, and comprehensively fulfill its mission of value creation.

We will deeply cultivate the essence of education, providing users and parents with products and services that offer a better quality for price, thereby solidifying our core advantages in teaching and service quality; we will adhere to a people-oriented approach, improve our talent cultivation and development system, build a growth platform for employees, share development achievements, and create a warm and dynamic team dedicated to striving for excellence; we will uphold the philosophy of prudent operation, continuously optimize operational quality and efficiency, and create long-term value for shareholders with sound performance and stable returns; we will earnestly fulfill our social responsibilities, actively participate in public welfare practices, contribute to the balanced development of education, and contribute to social progress.

Looking ahead, the Company will take long-termism as its rudder and value creation as its sail, innovating through perseverance, growing through determined action, and collaborating with all partners to build a bright and sustainable future.

## FINANCIAL REVIEW

### Revenue

The following table sets forth a breakdown of the Group's revenue by type of educational services we provided during the Reporting Period and the first half of 2025:

| | For the six months ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | *%* |
| | **(Unaudited)** | (Unaudited) | |
| Comprehensive talent business | **861,826** | 722,036 | 19.4 |
| Tutoring programs | **97,854** | 88,864 | 10.1 |
| Full-time test preparation | **85,158** | 101,269 | (15.9) |
| Sales of talent education materials | **3,227** | 1,288 | 150.5 |
| Others | **–** | 3,682 | (100) |
| Total | **1,048,065** | 917,139 | 14.3 |

During the Reporting Period, the Group's revenue generated from our principal business amounted to approximately RMB1,048.1 million, representing an increase of 14.3% from approximately RMB917.1 million in the first half of 2025. Such increase was primarily attributed to: (1) the Company's teaching quality and service capabilities have earned high recognition from clients; and (2) the Company's brand influence in the Greater Bay Area was steadily rising, and remarkable results have been achieved in its cross-regional development.

### Cost of Sales

Cost of sales primarily consists of salary and cost of benefits, rentals and utilities management expense, depreciation and amortisation and others. Cost of sales increased by 14.0% from approximately RMB504.0 million in the first half of 2025 to approximately RMB574.7 million for the Reporting Period, primarily due to a corresponding increase in cost of sales in line with business growth.

### Gross Profit and Gross Profit Margin

As a result of the above factors, the Group recorded gross profit of approximately RMB473.3 million during the Reporting Period, representing an increase of RMB60.2 million from approximately RMB413.1 million in the first half of 2025. During the Reporting Period, the Group's gross profit margin was 45.2%, remained stable as compared to the first half of 2025.

### Other Income

During the Reporting Period, the Group recorded other income in the amount of approximately RMB10.5 million, representing a decrease of 23.4% as compared with the same period of last year. The other income during the Reporting Period was mainly interest income of approximately RMB8.2 million.

### Other Gains and Losses

During the Reporting Period, the Group recorded other losses in the amount of approximately RMB8.6 million, mainly represented loss on commercial compensation, and renovation and equipment of approximately RMB7.6 million due to change of premise of our full-time test preparation.

### Selling Expenses

The Group's total selling expenses increased by approximately 14.6% from approximately RMB62.5 million in the first half of 2025 to approximately RMB71.6 million during the Reporting Period, primarily attributable to the increase in students recruitment expenses following business expansion.

### Administrative Expenses

Administrative expenses included the compensation for administrative staff, office rentals and daily operational expenses. During the Reporting Period, the Group's total administrative expenses amounted to approximately RMB116.9 million, representing an increase of 2.0% as compared to RMB114.7 million in the first half of 2025, principally due to the increase in remuneration of the administrative staff and office overheads to cater to our business expansion.

**Other Operating Expenses**

During the Reporting Period, the Group recorded other operating expenses of approximately RMB57.7 million, representing an increase of 6.7% as compared to RMB54.1 million in the first half of 2025, primarily due to an increase in remuneration of research and development as well as teaching staff to cater to our business expansion.

**Impairment Losses (including reversals of impairment losses or impairment gains) on Financial Assets**

Such accounting item represents impairment provided for or reversed on financial assets. During the Reporting Period, the Group recognised impairment loss of approximately RMB5.5 million because the recovery of overdue debt instruments fell short of our expectations.

**Fair Value Changes on Financial Assets at Fair Value Through Profit or Loss**

During the Reporting Period, the Company recorded fair value change on financial assets at fair value through profit or loss of approximately RMB2.8 million. Such accounting item mainly represented gains and losses from fair value change on wealth management products issued by financial institutions and funds issued by financial institutions.

**Finance Costs**

During the Reporting Period, the Group recorded finance costs in the amount of approximately RMB6.1 million, which were primarily attributable to the recognition of interest expenses under IFRS 16 – Lease.

**Income Tax Expense**

During the Reporting Period, the Group's income tax expense was approximately RMB51.5 million.

**Profit for the Reporting Period**

The Group's profit increased from approximately RMB151.5 million in the first half of 2025 to approximately RMB168.4 million for the Reporting Period, representing an increase of 11.1%.

**Non-GAAP Measures Related to the Profit for the Reporting Period**

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit as an additional financial measure. We present such a financial measure because it is used by our management to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. We also believe these non-GAAP measures provide additional information to investors and others in understanding and evaluating our results of operations.

The term of adjusted net profit is not defined under IFRS Accounting Standards. The use of these non-GAAP measures has material limitations as an analytical tool, as they do not include all items that impact our net profit for the Reporting Period. We compensate for these limitations by reconciling these financial measures to the nearest IFRS Accounting Standards performance measure, which should be considered when evaluating the Group's performance.

Our adjusted net profit increased by 11.1% from approximately RMB151.8 million in the first half of 2025 to approximately RMB168.6 million for the Reporting Period.

The following table reconciles adjusted net profit for the periods and net profit for the Reporting Period, the most directly comparable financial measurement calculated and presented in accordance with IFRSs:

| | For the six months ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | Change |
| | ***RMB'000*** | *RMB'000* | *%* |
| Net profit | **168,371** | 151,537 | 11.1 |
| Add: | | | |
| Equity-settled share-based compensation costs | **193** | 243 | (20.6) |
| Adjusted net profit | **168,564** | 151,780 | 11.1 |

In light of the foregoing limitations for other financial measurements, when assessing our operating and financial performance, shareholders and investors should not consider adjusted net profit and net profit from core business in isolation or as a substitute for our profit for the Reporting Period, operating profit or any other operating performance measure that is calculated in accordance with IFRS Accounting Standards. In addition, because such measures may not be calculated in the same manner by all companies, it may not be comparable to other similar measurements applied by other companies.

## Liquidity and Financial Resources

As at 30 June 2026, cash and cash equivalents of the Group amounted to approximately RMB347.1 million. Cash at banks bears interest at floating rates based on daily bank deposit rates. The cash and cash equivalents are deposited in credit-worthy banks with no recent history of default.

## Current Ratios and Gearing Ratios

As at 30 June 2026, the current ratio of the Group was approximately 1.11, representing a decrease as compared to 1.19 as at 31 December 2025. The current ratio is equal to total current assets divided by the total current liabilities.

As at 30 June 2026, the gearing ratio of the Group was 0.61, representing a decrease as compared to 0.63 as at 31 December 2025. The gearing ratio is equal to total debts divided by total assets.

## Future Plans for Significant Investments or Capital Assets

The Group did not have any plans for significant investments or capital assets as at the date of this announcement.

## Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

As at 30 June 2026, the Group held financial assets, comprising (i) financial assets at fair value through profit or loss of approximately RMB622.5 million (31 December 2025: approximately RMB213.4 million), including wealth management products, funds, unlisted trust plans and asset management plans issued by financial institutions, and various types of investments in funds issued by financial institutions; and (ii) debt instruments measured at amortised cost of approximately RMB5.4 million (31 December 2025: approximately RMB11.2 million), representing debt assets with guaranteed returns.

Due to the fluctuations in the current economic cycle, some financial assets are subject to the risk of overdue redemption, and the Company has conducted a fair value assessment and made a provision for impairment in respect thereof.

The Group adopts prudent and pragmatic investment strategies over its significant investments. The subscriptions of the significant investment as well as the investments in other financial products were made for treasury management purpose to maximise the return of the Company after taking into account, among others, the level of risk, return on investment and the term to maturity. When making the investment decision, it is the Company's investment strategy to select standard short-term financial products that had relatively low associated risk in order to secure a stable investment income.

Prior to making an investment, the Group had also ensured that there remains sufficient working capital for the requirements of the Group's business, operating activities and capital expenditures even after making the significant investments.

Save as disclosed in this announcement, the Group had not made any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

### Contingent Liabilities

As at 30 June 2026, the Group did not have material contingent liabilities, guarantees or litigations against the Group.

### Pledge of Assets

As at 30 June 2026, the Group did not have any material pledge of assets.

### Foreign Exchange Exposure

The Group's sales and purchases during the Reporting Period were mostly denominated in RMB. Therefore, foreign exchange exposures mainly arise from highly liquid investments in short-term time deposits denominated in HK$. During the Reporting Period, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Group did not enter into any financial instrument for hedging purpose.

### Bank Loans and Other Borrowings

As at 30 June 2026, the Group did not have any bank loans and other borrowings.

## EVENTS AFTER THE REPORTING PERIOD

On 30 June 2026, the Group successfully completed its negotiations with related parties for the acquisition of 100% equity interests in Guangzhou Ruishi Business Consulting Co., Ltd. (廣州睿實商務諮詢有限公司) and its subsidiaries, Guangzhou Tuotu Business Consulting Co., Ltd. (廣州拓途商務諮詢有限公司) and its subsidiaries, and Guangzhou Xiangyang Business Services Co., Ltd. (廣州翔陽商務服務有限公司) and its subsidiaries, to further expand its comprehensive talent business. The transaction was completed on 1 July 2026 at a cash consideration of RMB0.6 million.

## HUMAN RESOURCES

As at 30 June 2026, the Group had a total of 5,120 (31 December 2025: 4,768) employees. To ensure that the Group is able to attract and retain employees capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

We provide regular trainings to the employees in order to improve their skills and knowledge. We also provide on-going trainings to our teachers so that they can stay abreast of changes in market needs, student demands and other key trends necessary to effectively teach their respective courses.

## OTHER INFORMATION

### Interim Dividend

The Board has resolved to declare an interim dividend of HK$18.0 cents per ordinary share (six months ended 30 June 2025: HK$11.8 cents per ordinary share) for the six months ended 30 June 2026, with an aggregate amount of approximately RMB131,319,000 (six months ended 30 June 2025: approximately RMB90,753,000). The said interim dividend will be paid on or around 15 October 2026 to shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company on 24 September 2026.

The register of members of the Company will be closed from 17 September 2026 to 24 September 2026, both days inclusive, during which period no share transfer will be effected, for the purpose of determining the Shareholders' entitlement to the interim dividend. The record date is 24 September 2026. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch 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 16 September 2026.

### RSU Scheme

The Company approved and adopted the restricted share unit scheme ("**RSU Scheme**") on 3 December 2018. The purpose of the RSU Scheme is to reward Directors, senior management and employees for their contribution to the Group and to attract, motivate and retain skilled and experienced personnel to strive for the future development of the Group by providing them with the opportunity to own equity interests in the Company.

On 28 May 2026, the Board resolved to grant 13,452,000 restricted share units at a consideration of HK$1.68 per Share to 144 employees of the Group, subject to acceptance of the grantees. For details, please refer to the announcement of the Company dated 28 May 2026.

On 30 April 2024, 28 October 2024 and 23 June 2025, the Board resolved to grant a total of 62,680,265 restricted share units at a consideration of HK$2.97 per share. Based on individual performance during the assessment period, the achievement of the Group's annual performance and other requirements, 10,457,913 shares had been vested during the Reporting Period (representing approximately 1.23% of the total issued shares of the Company as at 30 June 2026).

As at 30 June 2026, Ms. Shaoping Fu, the trustee appointed by the Company for the administration of the RSU Scheme (the "**Trustee**"), held 125,900,654 Shares (representing approximately 14.86% of the total issued shares of the Company as at 30 June 2026) under the RSU Scheme, of which 33,126,948 shares (representing approximately 3.91% of the total issued shares of the Company as at 30 June 2026) had been vested, pending transfer to the relevant grantees.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a stringent corporate governance practices and recognised the importance of it for enhancing the management of the Company as well as preserving the interests of our Shareholders as a whole. The Company has adopted the code provisions as set out in part 2 of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company has complied with code provisions contained in the CG Code during the Reporting Period, save and except for code provision C.2.1 which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Board believes that with extensive experience in the education industry, Mr. Junjing Tang is responsible for overall development, operation and management of the Company and has been playing an instrumental role in our growth and business expansion since the establishment of the Group. The Board considers that vesting the roles of chairman and chief executive officer of the Company in Mr. Junjing Tang is beneficial to the consistency of leadership within the Group and the efficiency of the overall strategic planning and execution of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced individuals.

The Company will continue to review its corporate governance practices and strive to enhance its compatibility with its business operations and development to ensure compliance with the provisions of the CG Code and the latest development of business. The Board will continue to review and monitor the operation of the Company with an aim of maintaining a high standard of corporate governance.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Other than the shares purchased by the Trustee under the RSU Scheme, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares as defined in the Listing Rules) during the Reporting Period. As at 30 June 2026, the Company did not hold any treasury shares as defined in the Listing Rules.

## AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently comprises Mr. Jun Gan, Ms. Yu Long and Mr. Wai Ng with Mr. Jun Gan being the chairman of the Audit Committee. The Audit Committee had discussed with the management and reviewed the unaudited interim financial information of the Group for the Reporting Period, and considered that the Company had complied with all applicable accounting standards and requirements and made adequate disclosures.

The Audit Committee had reviewed the interim results and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

## PUBLICATION OF 2026 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.zy.com. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be published on the above websites in due course.

By order of the Board
**China Beststudy Education Group**
**Junjing Tang**
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 20 August 2026

*As at the date of this announcement, the executive Directors are Mr. Junjing Tang, Mr. Junying Tang, Mr. Gui Zhou and Ms. Weiying Guan, the non-executive Director is Mr. Wai Ng, and the independent non-executive Directors are Ms. Yu Long, Mr. Jun Gan and Mr. Haipeng Shen.*