

CHINA XINHUA EDUCATION GROUP LIMITED

中國新華教育集團有限公司

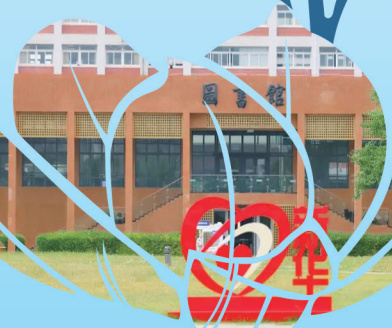
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 02779

2026

INTERIM REPORT

中 期 報 告



CONTENTS

CORPORATE INFORMATION	2
HIGHLIGHTS	3
MANAGEMENT DISCUSSION AND ANALYSIS	4
OTHER INFORMATION	11
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	18
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	19
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	20
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	22
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT	23
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	25
DEFINITION	37



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Director

Mr. Wu Junbao (吳俊保) (*Chairman*)

Executive Directors

Mr. Zhang Ming (張明)

Mr. Wang Yongkai (王永凱)

Ms. Chen Ming (陳明)

Independent Non-executive Directors

Mr. Jiang Min (蔣敏)

Mr. Yang Zhanjun

Mr. Yao Heping (姚和平)

AUDIT COMMITTEE

Mr. Yao Heping (姚和平) (*Chairman*)

Mr. Wu Junbao (吳俊保)

Mr. Jiang Min (蔣敏)

REMUNERATION COMMITTEE

Mr. Jiang Min (蔣敏) (*Chairman*)

Mr. Wu Junbao (吳俊保)

Mr. Yang Zhanjun

NOMINATION COMMITTEE

Mr. Wu Junbao (吳俊保) (*Chairman*)

Ms. Chen Ming (陳明)

Mr. Jiang Min (蔣敏)

Mr. Yang Zhanjun

Mr. Yao Heping (姚和平)

COMPANY SECRETARY

Ms. Yu Anne (余安妮)

AUTHORISED REPRESENTATIVES UNDER RULE 3.05 OF THE LISTING RULES

Mr. Wang Yongkai (王永凱)

Ms. Yu Anne (余安妮)

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 555 Wangjiangxi Road

Hefei City, Anhui Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

LEGAL ADVISORS AS TO HONG KONG LAW

Morgan, Lewis & Bockius

19th Floor, Edinburgh Tower

The Landmark

15 Queen's Road Central

Hong Kong

AUDITORS

Rongcheng (Hong Kong) CPA Limited

Public Interest Entity Auditor registered

in accordance with the Accounting and

Financial Reporting Council Ordinance

Certified Public Accountants

Unit 1-7, 43/F, Cosco Tower,

183 Queen's Road Central,

Sheung Wan, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive, P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

PRINCIPAL BANKS

Agricultural Bank of China

Hefei Science and Technology Rural Commercial Bank

Huishang Bank

Hangzhou Bank

Industrial and Commercial Bank of China

COMPANY WEBSITE

<http://www.chinaxhedu.com>

STOCK CODE

02779

HIGHLIGHTS

	Six months ended 30 June		Percentage change
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	
Revenue	364,808	362,551	0.6
Gross profit	193,479	236,762	-18.3
Profit for the period	238,012	256,334	-7.1
Adjusted net profit ⁽¹⁾	198,309	241,516	-17.9

Note:

- (1) The Group defines the adjusted net profit as the profit for the period after adjusting for those items which are not indicative of the Group's operating performances. This is not an IFRS Accounting Standards measure. For details, please refer to the section headed "Management Discussion and Analysis – Financial Review" in this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading private higher education group in China. We are the largest private higher education provider in the Yangtze River Delta in terms of total number of full-time student enrollment in the Yangtze River Delta region.

“A thriving education makes a thriving country, while a powerful education makes a powerful country.” General Secretary Xi Jinping stressed that building powerful education country is a basic project of the great rejuvenation of the Chinese nation, and we should give priority to education, deepen education reform, accelerate education modernization, properly provide satisfactory education, and train socialist builders and successors featuring an all-round development in morality, intelligence, physique, art and hardwork. The Group actively responds to the call of the party and the state, and firmly adheres to the lofty mission of “Rejuvenating the Country and Serving the People through Xinhua Education”, and the direction of schools under socialism, and focus on and offer good education. The Group vigorously promotes connotative construction, continuously improves the quality of schools, and plays a great role in improving the quality of workers, promoting employment, serving the upgrading and transformation of industries, etc.

We are committed to providing high-quality application-oriented formal education services to our students, including formal university education and secondary vocational education covering various mainstream subjects and areas of employment. Through continuous and efficient market research, we strive to design comprehensive and diversified courses to meet employers’ preferences and labor market demands. Meanwhile, we actively adjust our major offerings, continuously optimize our teaching conditions by improving our tangible and intangible infrastructure, optimize the educational environment, and strengthen strategic cooperation with various private enterprises and public institutions, in order to help our students acquire useful skills and seek good employment opportunities. As a whole, our graduate employment rate is higher than the average graduate employment rate in the provinces and cities where we operate. The high employment rate will further consolidate our reputation, and to improve our image in the industry, and enable our schools to attract more talented students. With professional and high-quality education, the Group has continuously made outstanding contributions to students and their families, to employers, economic and social development.

BUSINESS REVIEW AND OPERATION UPDATE

Student Enrollment

In the 2025/26 academic year, the Group had a full-time student enrollment of approximately 43,221, representing a year-on-year increase of approximately 0.48%.



MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION UPDATE AND HIGHLIGHTS

1. Significant Progress in Internal Construction

The Group has focused on the fundamental task of fostering virtue and nurturing talent, adhering to the mission of education for the nation, vigorously strengthening internal construction, and continuously improving the quality of education. We have successfully obtained approval for 4 national-level first-class undergraduate programs and 14 provincial-level first-class undergraduate programs. Additionally, we have 1 national-level first-class undergraduate course and 130 provincial-level first-class undergraduate courses. Xinhua University has been accredited as the only cultivation and creation unit of “National Model Schools and Departments in Party Building Work” (全國黨建工作標桿院系) among provincial universities, and its 1 teaching achievement was recommended by the provincial Department of Education to participate in the evaluation for the National-level Prize for Teaching Achievement.

2. Outstanding Achievements in Talent Cultivation

The Group has adhered to a student-centered approach, placing great emphasis on the comprehensive development of students' qualities and fostering a positive atmosphere of promoting learning through competitions. Significant national and international awards were won in multiple high-level competitions including career planning, discipline competitions, as well as cultural and sports events, realizing historic award-winning breakthroughs for universities in the province in certain competitions; concurrently, fruitful results were obtained in ideological and political practice and social practice, with multiple practice teams recognized as provincial-level outstanding teams, and an ideological and political case of the students was awarded the first prize in the outstanding case collection activities for ideological and political work among college students by the Ministry of Education.

3. Continuous Improvement in Faculty Quality

The Group has further intensified efforts in faculty recruitment and development, continuously optimizing the teaching staff and enhancing their capabilities. During the first half of the year, the recruitment scale of high-level teachers significantly increased, the “dual-qualified and dual-skilled” teacher team continued to expand, and the postdoctoral workstation successfully recruited researchers. In particular, 12 individuals from Xinhua University were selected for the Jianghuai Talent Plan (江淮英才計劃) and the Academic Leader Program, which made new breakthroughs in the Leading Talent Program.

4. Continuous Improvement of School-Running Conditions

The Group continued to increase its investment in software and hardware, with funds allocated to the construction and renovation of school buildings, equipment upgrades, and the construction of smart campus. In the first half of the year, more than 50 laboratory projects were delivered. The Group rolled out smart-campus programs and upgraded basic networks, with supporting facilities for digital campuses continuously improved, enabling teachers and students across all institutions to enjoy higher-quality educational resources and a more comfortable and beautiful campus environment.

5. Significant Expansion of School-running Influence

The Group placed great emphasis on brand promotion, and its social reputation continued to rise. In particular, students from Anhui Xinhua University appeared on the CCTV stage twice, showcasing their talent. The video of the dance competition Yilan Love Story garnered 400 million online views. By leveraging live streaming and other forms of new media promotion, the Group broadcasted major events and brand-featured activities, thus continuously expanding the influence of its school-running operations.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

1. Anchoring planning orientation and serving the building of a strong nation

In June 2026, the State Council issued the “15th Five-Year Plan” for Education Development (《教育發展“十五五”規劃》), which initiated the “Double Excellence” (“雙優”) construction for high-level application-oriented undergraduate universities and proposed guiding and regulating the development of private education. The Group will thoroughly implement the deployments of the 15th Five-Year Plan for education, focus on talent cultivation in application-oriented universities, and orderly carry out key tasks such as the application for master’s degree conferring units and tackling critical challenges in institutional conversion. It will strive to achieve landmark breakthroughs, continuously optimize the setup of academic disciplines and majors, deepen education and teaching reforms, and promote the all-round development of students. By continuously strengthening our distinctive features and elevating educational quality, the Group aims to cultivate more high-quality application-oriented talents for the innovative development of the economy and society.

2. Optimizing discipline layout and deepening industry-education integration

The Group will continue to develop New Engineering, New Medical and New Liberal Arts disciplines, and dynamically optimize the layout of undergraduate programs and micro-programs. The Group will deepen industry-education integration by increasing efforts in the construction of industrial colleges, scientific research and innovation centers, and customized talent training programs, while expanding school-enterprise cooperation bases and joint education platforms. It will promote the effective implementation of distinctive courses in AI+, industry-education integration, and innovation and entrepreneurship, and develop a batch of smart courses and industry-education integrated courses. Furthermore, the Group will continue to improve the full-chain closed loop system spanning student recruitment, cultivation, and employment to ensure high-quality and full employment for graduates.

3. Attracting and cultivating high-quality faculty to consolidate the foundation of education

The Group will adhere to a balanced approach of attracting and cultivating talent, continuously intensifying efforts to introduce high-level talents, deeply implementing the Silver-Age Teacher Action Plan (銀齡教師行動計劃), and establishing a regularized reserve pool of high-level talents. The Group will improve the tiered and categorized teacher training and development system, continuously expand the “dual-qualification and dual-capable” teaching staff, and incentivize teachers to participate in high-level competitions and win high-level awards. It will also enhance the information management platform for teaching and research, promote the categorized management of teachers, and make every effort to build a teaching team with a reasonable structure and strong capabilities, thereby laying a solid foundation for talent cultivation.

4. Advancing digital and intelligent transformation and unleashing educational momentum

The Group will deeply implement the national strategy for the digitalization of education, carry out the “Artificial Intelligence + Education” initiative, and continue to consolidate the foundation of digital campus. It will deeply integrate artificial intelligence into the entire talent cultivation process, implement an AI + competency cultivation system, and explore reforms in personalized teaching empowered by generative AI, with a view to enhancing students’ artificial intelligence literacy and their ability to identify and solve problems. Digital and intelligent technologies will be leveraged to drive quality and efficiency improvements across the entire workflow of teaching, student management, administrative logistics, and scientific research management, comprehensively elevating the digital and AI literacy of both faculty and students.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Expanding international cooperation and enhancing the effectiveness of opening-up

The Group will continue to expand high-level opening-up of education, broaden its cooperation network with overseas higher education institutions, deepen online and offline exchanges and connections between Chinese and foreign higher education institutions, and continuously advance the application and cultivation of Sino-foreign cooperative education programs and non-independent legal person educational institutions. It will strengthen the foundation program center and international innovative talent experimental classes, and steadily expand the enrollment scale of international students studying in China. The Group will establish and improve a domestic and overseas alumni liaison system, promote the two-way flow of Chinese and foreign educational resources and people-to-people exchanges, and continuously enhance its international influence in education operations.

FINANCIAL REVIEW

Revenue

The Group's revenue consists of the tuition fees and boarding fees received from its students.

The Group's revenue slightly increased by 0.6% from RMB362.6 million for the six months ended 30 June 2025 to RMB364.8 million for the Reporting Period, primarily due to the increase of average tuition fees.

Other Income

Other income primarily consists of rental and property management income, service income, interest income and surplus on operation of Anhui School and Jiangsu School.

Other income decreased by 25.3% from RMB48.3 million for the six months ended 30 June 2025 to RMB36.1 million for the Reporting Period, primarily due to the adjustments to the business operations.

Cost of Sales

Cost of sales primarily consists of salaries and benefits paid to our teaching staffs, depreciation and amortization, cost of education-related activities, cost of repairs and student-related costs.

The Group's cost of sales increased by 36.2% from RMB125.8 million for the six months ended 30 June 2025 to RMB171.3 million for the Reporting Period, primarily due to the increase in staff costs for our teaching staff.

Gross Profit

Our gross profit slightly decreased by 18.3% from RMB236.8 million for the six months ended 30 June 2025 to RMB193.5 million for the Reporting Period, primarily due to the increase in staff costs.

Selling and Distribution Costs

Selling and distribution costs primarily consist of student admission expenses, salaries and benefits paid to our sales staff, amortization and depreciation, and advertising expenses.

Selling and distribution costs decreased by 14.3% from RMB0.7 million for the six months ended 30 June 2025 to RMB0.6 million for the Reporting Period, mainly due to the decrease in student admission expenses and depreciation and amortization.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

Administrative expenses primarily consist of salaries and benefits paid to administrative staff, depreciation and amortization, and consultancy expenses.

Administrative expenses decreased by 41.1% from RMB33.1 million for the six months ended 30 June 2025 to RMB19.5 million for the Reporting Period, primarily due to Adjustment of personnel structure.

Finance Costs

Finance costs primarily consist of interest expenses on bank loans and borrowings.

The finance costs incurred for the Reporting Period amounted to RMB5.4 million, (30 June 2025: RMB6.4 million), primary due to the decrease in the bank loans and interest rate of bank loans.

Profit before Taxation

The Group recognized a profit of RMB244.4 million before income tax for the Reporting Period, representing a decrease of 6.5% as compared with a profit of RMB261.3 million for the six months ended 30 June 2025, primarily due to the increase in operating costs.

Profit for the Reporting Period

As a result of the combined effects of the foregoing, the Group recorded a profit of RMB238.0 million during the Reporting Period, representing a decrease of 7.1% as compared with the RMB256.3 million for the six months ended 30 June 2025.

Adjusted net profit

Adjusted net profit was derived from the profit for the Reporting Period after adjusting the net foreign exchange gain and the share-based payment expenses, which are not indicative of the Group's operating performances (as presented in the table below). This is not an IFRSs measure. The Group has presented this item because the Group considers it is an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors. The following table shows profit and adjusted net profit of the Group for the periods indicated:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit for the period	238,012	256,334
Add:		
Net foreign exchange gain	(40,370)	(16,529)
Share-based payment expenses	667	1,711
Adjusted net profit	198,309	241,516

Net foreign exchange (gain)/loss arises from intra-group fundings with different functional currencies. According to IFRS Accounting Standards, a similar amount of exchange gain or loss and other comprehensive income arises simultaneously as a result of change in the exchange rate.

MANAGEMENT DISCUSSION AND ANALYSIS

Working Capital and Source of Capital

The Group's cash is mainly used to satisfy the needs of working capital and purchase of property, plant and equipment. During the Reporting Period, the Group has funded its operations primarily with cash and cash equivalents generated from operating activities. As at 30 June 2026, the Group recorded long-term bank time deposits and cash and bank balances of RMB903.5 million (31 December 2025: RMB1,126.9 million).

Net Current Assets

As at 30 June 2026, the Group recorded net current assets of RMB575.3 million, representing an increase of 66.7% as compared with RMB345.1 million as at 31 December 2025, which was primarily attributable to the decrease in contract liabilities and the increase in current assets.

Capital Expenditures

Capital expenditures consist of purchase or construction cost of property and equipment, prepayment of land lease outlay and other intangible assets. Since Anhui School and Jiangsu School have not yet been consolidated, the Group's capital expenditures do not include the scope of the two schools mentioned above. During the Reporting Period, the Group's capital expenditures were RMB21.3 million (30 June 2025: RMB49.2 million). The Group's capital expenditures were primarily related to the construction of buildings and school facilities and the purchase of equipment and software. The Group has funded these capital expenditures primarily with cash generated from operating activities.

Bank Loans and Other Borrowings

Bank loans and other borrowings of the Group were mainly working capital loans and specific loans. The bank loans and loan from a related party of the Group amounted to RMB516.5 million as at 30 June 2026.

Contingent Liabilities, Guarantees and Litigation

As at 30 June 2026, the Group did not have any unrecorded significant contingent liabilities, guarantees and any litigation against us.

Gearing Ratio

The gearing ratio of the Group, calculated as total liabilities divided by total assets was 13.8% as at 30 June 2026, compared to 21.1% as at 31 December 2025, which was primarily attributable to the decrease in total liabilities exceeding the decrease in total assets.

Future Plan for Material Investments and Capital Assets

The Group did not have any other plans for material investments and capital assets as at 30 June 2026 and up to the date of this interim report.

Material Acquisition and Disposal of Subsidiaries and Associated Companies

Save as disclosed herein, there was no material acquisition and disposal of subsidiaries and associated companies by the Company during the Reporting Period.

Significant Investment Held by the Group

Save as disclosed herein, there was no significant investment held by the Group (including any investment in an investee company with a value of 5% or more of the Company's total assets) during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Risk Management

The Group's presentation currency is Renminbi, as most revenues and expenditures of the Group are denominated in Renminbi. As at 30 June 2026, balances of several banks were denominated in United States dollars or Hong Kong dollars. So far, the Group has not entered into any financial instruments used for hedging purpose. The management will continue to pay attention to foreign exchange risk, and will consider hedging against significant foreign currency risks by using financial instruments when necessary.

Pledge of Assets

As at 30 June 2026, no assets of the Group were pledged.

Human Resources

As at 30 June 2026, the Group has approximately 3,085 employees (as at 30 June 2025: 3,035). All of our employees are based in the PRC. In accordance with the applicable laws and regulations in the PRC, the Group has participated in the employee social security programs managed by local governments, including housing provident fund, retirement pension, medical insurance, maternity insurance and unemployment insurance. The Board believes that the Group is maintaining a favorable working relationship with our employees, and we have experienced no major labor disputes during the Reporting Period.

Off-Balance Sheet Commitments and Arrangements

As at 30 June 2026, the Group has not conducted any off-balance sheet transaction.

EVENTS AFTER THE REPORTING PERIOD

There was no event which has occurred subsequent to 30 June 2026 and up to the date of this interim report that would cause material impact on the Group.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Reporting Period (for the six months ended 30 June 2025: Nil).



OTHER INFORMATION

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

There was no changes in the information of our Directors and chief executives of the Company subsequent to the publication of the 2025 annual report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in the Company

Name of Directors	Capacity/nature of interest	Number of Shares/ underlying Shares	Long/short position	Approximate percentage of shareholding in the Company ⁽¹⁾ (%)
Mr. Wu Junbao ⁽²⁾	Interest in a controlled corporation	1,154,452,879	Long position	71.77
Mr. Zhang Ming	Beneficial owner	27,000,000 ⁽³⁾	Long position	1.68
Mr. Wang Yongkai	Beneficial owner	10,500,000 ⁽³⁾	Long position	0.65
Mr. Jiang Min	Beneficial owner	500,000	Long position	0.03

Notes:

- (1) The calculation of approximate percentage of shareholding in the Company was based on the total number of 1,608,583,000 Shares in issue as of 30 June 2026.
- (2) Mr. Wu Junbao is the sole shareholder of Wu Junbao Company Limited (吴俊保有限公司) ("WJB Company") and he is therefore deemed to be interested in the Shares held by WJB Company.
- (3) These were underlying Shares and represented the share options granted by the Company under the Share Option Scheme. Details of these share options granted are set out in the section headed "Share Option Scheme" below.

OTHER INFORMATION

(ii) Interest in an associated corporation

Xinhua Group

Name of Director	Capacity/nature of interest	Amount of registered share capital	Long/short position	Approximate percentage of interest in Xinhua Group (%)
Mr. Wu Junbao	Beneficial owner	RMB100,000,000	Long position	95.70

Save as disclosed in this report, as at 30 June 2026, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) or entities had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder(s)	Capacity/Nature of interest	Number of Shares	Long/short position	Approximate percentage of shareholding in the Company ⁽¹⁾ (%)
WJB Company ⁽²⁾	Beneficial owner	1,154,452,879	Long position	71.77

Notes:

- (1) The calculation of approximate percentage of shareholding in the Company was based on the total number of 1,608,583,000 Shares in issue as of 30 June 2026.
- (2) Mr. Wu Junbao is the sole shareholder of WJB Company and he is therefore deemed to be interested in the Shares held by WJB Company.

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company were not aware of any persons (who were not Directors or chief executive of the Company) or entities who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 8 March 2018 (“**Adoption Date**”) for the purpose of giving the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible persons include (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group (“**Executive**”), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Group; (b) a director or proposed director (including an independent non-executive director) of any member of our Group; (c) a direct or indirect shareholder of any member of our Group; (d) a supplier that provides goods or services to any member of our Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (f) above. Pursuant to Chapter 17 of the Listing Rules as amended on 1 January 2023, the Company may continue to make grants to directors and employees of the Group under the Share Option Scheme until the refreshment or expiry of the existing scheme mandate, upon which the issuer would be required to amend the terms of the schemes to comply with the amended Main Board Chapter 17 and seek Shareholders’ approval for a new scheme mandate.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date, i.e. 160,000,000 Shares excluding Shares which may fall to be issued upon the exercise of the over-allotment option granted by the Company, representing 10% of the issued shares as at the Listing Date. The total number of shares available for issue under the Share Option Scheme as at the date of this interim report was 160,000,000, representing approximately 9.95% of the total issued share capital of the Company.

No option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of options granted and to be granted to that person in any 12-month period exceeds 1% of the Company’s issued share capital from time to time. Where any further grant of options to such an eligible person would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such eligible person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such eligible person and his close associates (or his associates if such eligible person is a connected person) abstaining from voting.

The Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an option to any eligible person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof). Subject to such terms and conditions as the Board may determine (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no minimum period for which an option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the option can be exercised.

OTHER INFORMATION

An offer of the grant of an option shall remain open for acceptance by the eligible person concerned for a period of 28 days from the offer date provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme. An option shall be deemed to have been granted and accepted by the eligible person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the option duly signed by the grantee together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an option must be accepted by the relevant eligible person, being a date no later than 28 days after the offer date.

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the subscription price shall not be less than whichever is the highest of: (a) the nominal value of a Share; (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the 5 business days (as defined in the Listing Rules) immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme. The remaining life of the Share Option Scheme is around 1 years and 7 months.

Details of the movement of share options granted under the Share Option Scheme during the Reporting Period are as follows:

Category and name of participant	Date of grant	Exercise price per Share	Exercise Period	Vesting period	Outstanding	Granted	Exercised	Cancelled/	Outstanding
					as at 1 January 2026	during the Reporting Period	during the Reporting Period	Lapsed during the Reporting Period	as at 30 June 2026
Director									
Zhang Ming	30 April 2019	HK\$2.69	5 years from vesting date		12,000,000	–	–	3,000,000	9,000,000
	5 June 2023	HK\$0.764	10 years from vesting date	Note (1)	15,000,000	–	–	–	15,000,000
Wang Yongkai	15 July 2019	HK\$2.82	5 years from vesting date		4,500,000	–	–	–	4,500,000
	5 June 2023	HK\$0.764	10 years from vesting date	Note (2)	6,000,000	–	–	–	6,000,000
Employees	15 July 2019	HK\$2.82	5 years from vesting date		28,900,000	–	–	–	28,900,000
	5 June 2023	HK\$0.764	10 years from vesting date	Notes (2) and (3)	50,900,000	–	–	–	50,900,000
Total					117,300,000	–	–	3,000,000	114,300,000

OTHER INFORMATION

Notes:

- (1) Among the 71,900,000 share options granted on 5 June 2023, 15,000,000 share options granted to Zhang Ming (the "Group E Share Options") shall vest in accordance with the timetable below:

Vesting date	Percentage of Share Options to be vested
5 June 2024	20% of the total number of the Group E Share Options granted
5 June 2025	20% of the total number of the Group E Share Options granted
5 June 2026	20% of the total number of the Group E Share Options granted
5 June 2027	20% of the total number of the Group E Share Options granted
5 June 2028	20% of the total number of the Group E Share Options granted

- (2) Among the 71,900,000 share options granted on 5 June 2023, 34,000,000 share options (including share options granted to Lu Zhen (a former Director) and Wang Yongkai) (the "Group F Share Options") shall vest in accordance with the timetable below:

Vesting date	Percentage of Share Options to be vested
5 June 2024	25% of the total number of the Group F Share Options granted
5 June 2025	25% of the total number of the Group F Share Options granted
5 June 2026	25% of the total number of the Group F Share Options granted
5 June 2027	25% of the total number of the Group F Share Options granted

- (3) Among the 71,900,000 share options granted on 5 June 2023, 1,500,000 share options (the "Group G Share Options") shall vest in accordance with the timetable below:

Vesting date	Percentage of Share Options to be vested
5 June 2024	30% of the total number of the Group G Share Options granted
5 June 2025	30% of the total number of the Group G Share Options granted
5 June 2026	40% of the total number of the Group G Share Options granted

Among the 71,900,000 share options granted on 5 June 2023, 19,300,000 share options (the "Group H Share Options") shall vest in accordance with the timetable below:

Vesting date	Percentage of Share Options to be vested
5 June 2024	50% of the total number of the Group H Share Options granted
5 June 2025	50% of the total number of the Group H Share Options granted

Among the 71,900,000 share options granted on 5 June 2023, 2,100,000 share options (the "Group I Share Options") shall vest in accordance with the timetable below:

Vesting date	Percentage of Share Options to be vested
5 June 2024	100% of the total number of the Group I Share Options granted

OTHER INFORMATION

(4) The closing price of the Share immediately before the date on which share options were granted was HK\$0.750 per Share.

Other than disclosed above, no other share options were granted, exercised, lapsed or cancelled during the Reporting Period.

The share options that were cancelled/lapsed during the Reporting Period are to be returned to the pool of the Share Option Scheme and become available for re-grant to the eligible participants in accordance with the terms of the scheme and regulatory requirements.

The number of options available for grant under the Share Option Scheme at the beginning and the end of the Reporting Period were 22,200,000 and 25,200,000, respectively.

As no options were granted during the Reporting Period, the number of Shares that may be issued in respect of the options granted under the Share Option Scheme during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is not applicable.

STRUCTURED CONTRACTS

Please refer to the section headed “Structured Contracts” in the Prospectus for details. During the Reporting Period, the Board has reviewed the overall performance of the Structured Contracts (as defined in the Prospectus) and believed that the Group has complied with the Structured Contracts in all material respects.

As at the date of this interim report, there were no changes in the Structured Contracts and/or the circumstances under which the Structured Contracts were adopted.

Qualification Requirement

The foreign investor in a Sino-foreign joint venture private school offering higher education must be a foreign educational institution with relevant qualification and high quality of education (the “**Qualification Requirement**”). Foreign portion of the total investment in a Sino-foreign joint venture private school should be below 50% and the establishment of these schools is subject to approval of education authorities at the provincial or national level. We are committed to working towards meeting the Qualification Requirement. We have adopted a specific plan and had taken concrete steps which the Company believes are meaningful endeavors to demonstrate compliance with the Qualification Requirement. Please also refer to the section headed “Structured Contracts” in the Prospectus and the annual report of the Company for the year ended 31 December 2022 for the Group’s efforts and actions undertaken to comply with the Qualification Requirement.

After seeking professional legal advice, the Company expressed that there had been no updates to the implementation rules in relation to the Qualification Requirement during the Reporting Period.



OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, purchased, sold or redeemed any listed securities of the Company (including any sale or transfer of treasury shares) during the Reporting Period. The Company did not have any treasury shares as at 30 June 2026.

CHANGE OF AUDITORS

KPMG retired as the auditor of the Company upon the conclusion of the annual general meeting of the Company held on 16 June 2026 (the “2026 AGM”). With the recommendation of the audit committee of the Company and approval by the Shareholders, Rongcheng (Hong Kong) CPA Limited was appointed as the new auditor of the Company with effect from the conclusion of the 2026 AGM and will hold office until the conclusion of the next annual general meeting of the Company.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The independent auditors of the Company, namely, Rongcheng (Hong Kong) CPA Limited, have carried out a review of the unaudited consolidated interim financial statements for the Reporting Period in accordance with the Hong Kong Standard on Review Engagement 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee has jointly reviewed with the management and the independent auditors of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim results for the Reporting Period) of the Group. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions set out in the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions under the CG Code during the Reporting Period. The Board will continue to review and monitor its corporate governance practices of the Group to ensure compliance with the CG Code from time to time, and to ensure that the Group is led by an effective Board with an independent view from the independent non-executive Directors, in order to optimize return for the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules, as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Board, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

APPRECIATION

We wish to express our sincere gratitude to our shareholders, management team, employees, business partners and our students for their support and contribution to the Group.

On behalf of the Board

China Xinhua Education Group Limited

Wu Junbao

Chairman

Hong Kong, 31 August 2026

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of China Xinhua Education Group Limited
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of China Xinhua Education Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 19 to 36, which comprises the interim condensed consolidated statement of financial position as at 30 June 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flow for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTER

The comparative interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2025 and the relevant notes included in these interim condensed consolidated financial statements were extracted from the interim financial information of the Group for six-month period ended 30 June 2025 reviewed by another auditor who expressed an unmodified conclusion on the interim financial information on 29 August 2025. The comparative interim condensed consolidated statement of financial position as at 31 December 2025 was extracted from the consolidated financial statements of the Group for the year ended 31 December 2025 audited by the same auditor who expressed an unmodified opinion on those statements on 31 March 2026.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

WANG Jun Ying

Practising Certificate Number: P07970

Hong Kong

31 August 2026

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

for the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	364,808	362,551
Cost of sales		(171,329)	(125,789)
Gross profit		193,479	236,762
Other income	4	36,120	48,267
Selling and distribution costs		(625)	(709)
Administrative expenses		(19,522)	(33,137)
Net foreign exchange gain		40,370	16,529
Profit from operations		249,822	267,712
Finance costs	5(a)	(5,396)	(6,407)
Profit before taxation	5	244,426	261,305
Income tax expenses	6	(6,414)	(4,971)
Profit for the period		238,012	256,334
Other comprehensive income for the period (after tax and reclassification adjustments)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of the Company		(20,898)	(8,706)
Other comprehensive income for the period		(20,898)	(8,706)
Total comprehensive income for the period		217,114	247,628
Earnings per share	7		
Basic and diluted (RMB cents)		14.8	15.9

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		409,630	423,172
Right-of-use assets		68,698	69,978
Intangible assets		198,954	199,391
Other non-current assets	8	2,909,948	2,911,231
Long-term bank time deposits	11	355,000	575,000
		3,942,230	4,178,772
Current assets			
Trade receivables	9	953	1,525
Prepayments, deposits and other receivables	10	273,880	247,888
Financial assets at fair value through profit or loss ("FVTPL")	18	180,000	150,000
Cash and bank balances	11	548,462	551,871
		1,003,295	951,284
Current liabilities			
Loans and borrowings	12	263,738	62,880
Contract liabilities	13	16,661	373,753
Other payables	14	141,531	157,622
Current taxation		6,057	11,907
		427,987	606,162
Net current assets		575,308	345,122
Total assets less current liabilities		4,517,538	4,523,894
Non-current liabilities			
Loans and borrowings	12	252,763	476,900
NET ASSETS		4,264,775	4,046,994

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Capital and reserves			
Share capital		12,952	12,952
Reserves	15	4,251,823	4,034,042
TOTAL EQUITY		4,264,775	4,046,994

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026

Note	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Capital reserves	Statutory reserves	Exchange reserves	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025 (audited)	12,952	430,344	184,978	508,052	112,355	2,798,313	4,046,994
Changes in equity for the six months ended 30 June 2026:							
Profit for the period	-	-	-	-	-	238,012	238,012
Other comprehensive income	-	-	-	-	(20,898)	-	(20,898)
Total comprehensive income					(20,898)	238,012	217,114
Equity settled share-based transactions 15(b)	-	-	667	-	-	-	667
At 30 June 2026 (unaudited)	12,952	430,344	185,645	508,052	91,457	3,036,325	4,264,775

Note	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Capital reserves	Statutory reserves	Exchange reserves	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 (audited)	12,952	430,344	182,515	508,052	126,213	2,460,260	3,720,336
Changes in equity for the six months ended 30 June 2025:							
Profit for the period	-	-	-	-	-	256,334	256,334
Other comprehensive income	-	-	-	-	(8,706)	-	(8,706)
Total comprehensive income	-	-	-	-	(8,706)	256,334	247,628
Equity settled share-based transactions 15(b)	-	-	1,711	-	-	-	1,711
At 30 June 2025 (unaudited)	12,952	430,344	184,226	508,052	117,507	2,716,594	3,969,675

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2026

Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	244,426	261,305
Adjustments:		
Depreciation of property, plant and equipment	21,585	30,057
Amortisation of other intangible assets	1,149	1,159
Depreciation of right-of-use assets	1,280	1,278
Finance costs	5,396	6,407
Share-based payment expenses	667	1,711
Net foreign exchange gain	(40,370)	(16,529)
Operating profit before changes in working capital	234,133	285,388
Increase in trade receivables and prepayments, deposits and other receivables	(25,420)	(18,853)
Decrease in contract liabilities	(357,092)	(351,058)
Decrease in other payables and accruals	(5,651)	(14,841)
Cash used in operations	(154,030)	(99,364)
Income tax paid	(12,264)	(8,387)
Net cash flows used in operating activities	(166,294)	(107,751)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash used in operating activities		(166,294)	(107,751)
Investing activities			
Payment for the purchase of property, plant and equipment		(21,833)	(9,791)
Payment for the purchase of intangible assets		(712)	(421)
Payment for purchase of financial assets measured at FVTPL		(30,000)	–
Repayment of/ (payment) for school investments		1,283	(39,037)
Proceeds from bank time deposits		20,000	162,000
Net cash (used in)/generated from investing activities		(31,262)	112,751
Financing activities			
Repayment of bank loans		(5,000)	(5,000)
Borrowing costs paid		(732)	(1,524)
Net cash used in financing activities		(5,732)	(6,524)
Net decrease in cash and cash equivalents		(203,288)	(1,524)
Cash and cash equivalents at 1 January	11	365,771	141,782
Effect of foreign exchanges rates changes		(121)	(26)
Cash and cash equivalents at 30 June	11	162,362	140,232

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period’s financial information.

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i>

The nature and impact of the amended IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity’s rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group’s accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (b) Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Tuition fees	337,978	335,862
Boarding fees	26,830	26,689
Total	364,808	362,551
Timing of revenue recognition		
Services transferred over time	364,808	362,551

Revenue represents the value of service rendered during the reporting period. No service provided to a single customer exceeds 10% or more of the total revenue of the Group during the reporting period.

During the six months ended 30 June 2026 and 2025, all of the Group's revenues were generated in the People's Republic of China ("PRC") and all of its non-current assets were located in the PRC.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its tuition and boarding fees received by the university and school such that the Group does not include information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations for tuition and boarding fees received by the university and school that had an original expected duration of one year or less.

(b) Segment Reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group has determined that it only has one operating segment which is the provision of education services.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

4 OTHER INCOME

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Rental and property management income	10,925	14,951
Service income	1,321	11,941
Government grants	823	395
Interest income on financial assets measured at amortised cost	11,490	10,835
Surplus on operation of the Anhui school and Jiangsu school (i)	11,004	10,167
Others	557	(22)
	36,120	48,267

- (i) On 20 November 2017, the Group entered into a formal agreement with Anhui Medical University for a term of three years to jointly operate the School of Clinical Medicine ("Anhui school") with the eventual goal of converting Anhui school into a school owned and operated solely by the Group. According to the agreement, the Group is entitled to the tuition fees relating to those students admitted in the 2018-2019 school year and thereafter and is responsible for the operation costs of the campus before the conversion.

On 29 April 2019, the Group entered into agreements with Nanjing University of Finance and Economics and Nanjing University of Finance and Economics Education Development Foundation, pursuant to which the Group would jointly operate Hongshan College of Nanjing University of Finance and Economics ("Jiangsu school") with Nanjing University of Finance and Economics with the eventual goal of converting Jiangsu school into a school owned and operated solely by the Group. According to the agreement, the Group is entitled to the tuition fees of Jiangsu school from the 2019-2020 school year and thereafter and is responsible for the operation costs of the campus before the conversion.

The amount represents the surplus or deficit to be absorbed by the Group, being the recognised revenue less the operation costs of the Anhui school and Jiangsu school during the reporting period. Prior to the completion of the conversion, the schools are governed by a board in which the Group has board seats but not control. The Group's advances and other investments to the above two schools are disclosed in Notes 8 and 10 and school operation right is recorded in intangible assets, representing the Group's related financial exposures prior to the completion of the conversion. After the conversion, the operation results of the Anhui school and Jiangsu school will be consolidated into the Group.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(a) Finance costs		
Interest expense on loans and borrowings	5,396	6,407
(b) Staff costs		
Salaries, wages and other benefits	114,030	84,620
Contributions to defined contribution retirement plan (i)	9,957	6,844
Equity settled share-based payment expenses	667	1,711
	124,654	93,175

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

5 PROFIT BEFORE TAXATION (Continued)

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(c) Other items		
Depreciation of owned property, plant and equipment	21,585	30,057
Amortisation of intangible assets	1,149	1,159
Depreciation of right-of-use assets	1,280	1,278
Net foreign exchange gain	(40,370)	(16,529)
Auditors' remuneration	540	1,000
	(15,816)	16,965

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax		
Provision for PRC corporate income tax for the period	6,414	4,971

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

- (i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.
- (ii) No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting period.
- (iii) Pursuant to the PRC Income Tax Law and the respective regulations, the companies of the Group which operate in the PRC are subject to Corporate Income Tax ("CIT") at a rate of 25% on its taxable income.
- (iv) According to the relevant provisions of Implementation Rules for the Law for Promoting Private Education (the "Implementation Rules"), private schools for which the school sponsors do not require reasonable returns/schools elected as not-for-profit schools are eligible to enjoy the same preferential tax treatment as public schools. After the Detailed Implementation Rules of Law for Promoting Private Education announced with effective from 1 September 2021, under the Implementation Opinions of the Anhui Provincial People's Government on Encouraging Social Forces to Establish Education to Promote the Healthy Development of Private Education (the "Implementation Opinions"), the Group's schools are required to register as either a for-profit or a not-for-profit organization by the end of 2022. Up to the date of this report, as no detail instructions have been issued yet, the Group has not commenced the registration process.

In accordance with the historical tax returns filed to the relevant tax authorities and the communication with local tax authorities, the Group's schools which do not require reasonable returns have not been levied for income tax on the income from provision of formal educational services. Following the prevailing practice, management considered that no CIT would be imposed by the local tax bureau on the income from provision of formal educational services based on the PRC relevant tax collection administration circumstance. As a result, no income tax expense for the income from provision of formal educational services is thus recognised for the Group's schools for the six months ended 30 June 2026.

7 EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2026 is based on the profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 of RMB238,012,000 (six months ended 30 June 2025: RMB256,334,000) and the weighted average number of ordinary shares of 1,608,583,000 in issue during the reporting period (six months ended 30 June 2025: 1,608,583,000).

For the six months ended 30 June 2026, the outstanding share options under the Company's Share option scheme were not included in the calculation of diluted earnings per share as their inclusion would have been anti-dilutive. Accordingly, diluted earnings per share for the six months ended 30 June 2026 were the same as basic earnings per share.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

8 OTHER NON-CURRENT ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayment for investments	660,000	660,000
Advance to the Anhui school and Jiangsu school	2,249,948	2,251,231
	2,909,948	2,911,231

As at 30 June 2026 and 31 December 2025, the prepayment for investments represents the down-payment for the acquisition of Jiangsu school with the amount of RMB660,000,000. The advance to the Anhui school and Jiangsu school represents the payment for their campus construction with the amount of RMB2,249,948,000 (31 December 2025: RMB2,251,231,000), which were unsecured and interest-free and their recovery is dependent on the successful conversion of these schools into entities controlled by the Group. Management assesses the expected credit loss on these balances periodically. As at 30 June 2026, no loss allowance was considered necessary based on the progress of the conversion.

9 TRADE RECEIVABLES

As of the end of the reporting period, an ageing analysis of the Group's trade receivables, based on the transaction date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	953	1,525

No allowance for doubtful debts was made as of the end of the reporting period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

10 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments and deposits	201,926	200,972
Other receivables	71,954	46,916
	273,880	247,888

As at 30 June 2026 and 31 December 2025, prepayments and deposits mainly comprise the balance due from Jiangsu school with the amount of RMB200,000,000.

11 LONG-TERM BANK TIME DEPOSITS, CASH AND BANK BALANCES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Long-term bank time deposits	355,000	575,000
Cash and bank balances		
– Bank time deposits	386,100	186,100
– Cash and cash equivalents	162,362	365,771
	548,462	551,871
Total	903,462	1,126,871

The interest rates on bank time deposits as at 30 June 2026 ranged from 1.79% to 3.10% per annum (31 December 2025: 1.79% to 3.31%).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

12 LOANS AND BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Unsecured bank loans:		
Within 1 year or on demand	57,880	62,880
Loans from a related party:		
Within 1 year	205,858	–
Over 1 year but within 2 years	69,488	205,858
Over 2 years but within 5 years	183,275	271,042
	458,621	476,900
	516,501	539,780

As at 30 June 2026, the unsecured bank loans carried interest at annual rates of 2.35% (31 December 2025: 2.35%).

As of 30 June 2026, the Group has borrowed sum of HKD528,000,000 from its related party Wu Junbao Company Limited, equivalent to RMB458,620,800, with an annual interest rate of 2.00%.

13 CONTRACT LIABILITIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Tuition fees	3,931	334,336
Boarding fees	12,730	35,574
Training fee	–	3,843
	16,661	373,753

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Payable to suppliers	61,834	70,988
Interest payable	35,937	32,587
Accrued staff costs	23,585	34,336
Miscellaneous expenses received from students (i)	6,264	9,006
Accrued expenses	1,930	1,162
Others	11,981	9,543
	141,531	157,622

(i) The amount represents miscellaneous expenses received from students which will be paid out on behalf of students.

All other payables are expected to be settled within one year.

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Equity settled share-based transactions

On 30 April 2019, 15,000,000 share options were granted to Mr. Zhang Ming, an executive Director, under the Company's employee share option scheme, with an exercise price of HK\$2.69 per share. Each option gives the holder the right to subscribe for one ordinary share of the Company.

On 15 July 2019, 52,900,000 share options were granted to certain employees, including two executive Directors Mr. Lu Zhen (who was an executive Director at the time of grant) and Mr. Wang Yongkai, under the Company's employee share option scheme, with an exercise price of HK\$2.82 per share. Each option gives the holder the right to subscribe for one ordinary share of the Company.

On 5 June 2023, 71,900,000 share options were granted to certain employees, including three executive Directors Mr. Zhang Ming, Mr. Lu Zhen (who was an executive Director at the time of grant) and Mr. Wang Yongkai, under the Company's employee share option scheme, with an exercise price of HK\$0.764 per share. Each option gives the holder the right to subscribe for one ordinary share of the Company.

No share options were exercised during the six months ended 30 June 2026 (2025: nil). As at 30 June 2026, the Company has 114,300,000 outstanding share options (31 December 2025: 117,300,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

15 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a debt-to-asset ratio. This ratio is calculated as total liabilities divided by total assets.

The debt-to-asset ratios at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Total liabilities	680,750	1,083,062
Total assets	4,945,525	5,130,056
Debt-to-asset ratios	14%	21%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

16 COMMITMENTS

Capital commitments of the Group in respect of plant, property and equipment and land use rights outstanding at 30 June 2026 and 31 December 2025 not provided for in the consolidated financial statements were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Authorised but not contracted for	164,283	380,907

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS

During the reporting period, the directors are of the view that the following companies and persons are related parties of the Group:

Name of party	Relationship
Wu Junbao	Controlling Shareholder
Wu Junbao Company Limited	Fellow subsidiary
Xinhua Computer College (“Xinhua Computer”) 新華電腦專修學院	Fellow subsidiary

Note: The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.

(a) Significant related party transactions

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest expenses charged by related parties	4,678	4,895

As at 30 June 2026, the Group's interest-bearing bank loan with the amount of RMB57,880,000 (31 December 2025: RMB 62,880,000) was guaranteed by the controlling shareholder Mr. Wu Junbao.

As at 30 June 2026, the outstanding balance of loans from related party Wu Junbao Company Limited is RMB458,620,800 (31 December 2025: RMB476,900,000). During the reporting period, interest expense in respect of loans from a related party Wu Junbao Company Limited is RMB 4,678,000 (2025: RMB 4,895,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi Yuan unless otherwise indicated)

18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Financial assets at FVTPL	–	180,000	–	180,000
Total	–	180,000	–	180,000

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial assets at FVTPL	–	150,000	–	150,000
Total	–	150,000	–	150,000

The fair values of financial assets at FVTPL approximate their carrying amounts, and there were no transfers between levels of the fair value hierarchy. During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

19 EVENTS AFTER THE REPORTING PERIOD

There were no significant events of the Group after the Period.

DEFINITION

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Anhui School”	School of Clinical Medicine of Anhui Medical University* (安徽醫科大學臨床醫學院), an independent college established in 2003 and currently jointly operated by the Group and Anhui Medical University, and not a consolidated affiliated entity of the Group, as further described in “Business – Planned Additional Schools – School of Clinical Medicine” in the Prospectus and the 2018 to 2023 annual reports of the Company
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China excluding for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	China Xinhua Education Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“consolidated affiliated entities”	our school sponsor and our PRC operating schools
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu School”	Hongshan College of Nanjing University of Finance and Economics* (南京財經大學紅山學院), an independent college established in 1999 and currently jointly operated by the Group and Nanjing University of Finance and Economics* (南京財經大學), and not a consolidated affiliated entity of the Group
“Listing Date”	26 March 2018, the date on which the Company’s Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“New Implementation Rules”	the Implementation Rules for the Law for Promoting Private Education

DEFINITION

“Prospectus”	the prospectus of the Company dated 14 March 2018
“Reporting Period”	the six months ended 30 June 2026
“RMB” or “Renminbi”	Renminbi, the lawful currency for the time being of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 8 March 2018
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury shares”	as defined under Listing Rules
“United States dollars”	United States dollars, the lawful currency of the United States
“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 1 September 1999. It is the school sponsor of Xinhua University and Xinhua School, and a consolidated affiliated entity of the Company
“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 11 April 2002, of which the school sponsor’s interest is wholly owned by Xinhua Group. It is 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, of which school sponsor’s interest is wholly owned by Xinhua Group. It is a consolidated affiliated entity of the Company
“Yangtze River Delta”	comprises Jiangsu Province, Zhejiang Province, Anhui Province and Shanghai in the PRC
“%”	percent

* The English translation of company names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.

CHINA XINHUA EDUCATION GROUP LIMITED
中國新華教育集團有限公司