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China Xinhua Education Group Limited

中國新華教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2779)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement of China Xinhua Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 April 2026 and the circular of the Company dated 30 April 2026 in relation to the proposed change of auditors (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the existing auditor of the Company, KPMG, will retire as the auditor of the Company upon expiration of its term of office at the conclusion of the annual general meeting of the Company on 16 June 2026 (the “**AGM**”). KPMG did not seek for re-appointment as auditors of the Company at the AGM as the board of the directors of the Company (the “**Board**”) is of the view that the proposed change of auditor after an appropriate period is in line with good corporate governance practices and would further enhance auditor independence, and in the best interest of the Company and Shareholders as a whole. The Audit Committee is satisfied that all the underlying reasons leading to the change of auditor have been disclosed in the Announcement.

The Board would like to provide the following supplementary information in relation to the proposed change of auditor of the Company.

KEY CONSIDERATIONS OF THE AUDIT COMMITTEE

The Audit Committee has considered section 2 of the Guide and has reviewed the capabilities and resources of Rongcheng (Hong Kong) CPA Limited (“**Rongcheng**”), including their industry knowledge and technical competence, and whether they have adequate resources to perform a quality audit within the agreed time frame. The Audit Committee has considered a number of factors including but not limited to (a) independence, (b) governance and leadership, (c) compliance with relevant ethical requirements, (d) industry knowledge and technical competence, (e) engagement performance, (f) communication and interaction with the Audit Committee, and (g) monitoring process as follows:

- (a). **Independence:** To the best of the Audit Committee’s information and belief, Rongcheng is independent from the directors of the Company. There are no pre-existing business relationships between Rongcheng and the Company and Rongcheng also did not provide any non-audit services to the Company.

- (b). **Governance and leadership:** The Audit Committee reviewed Rongcheng’s governance structure and leadership to ensure their commitment to audit quality and the public interest. Rongcheng demonstrated a strong commitment to audit quality, with leadership prioritizing the delivery of high-quality audits. Their organizational structure supports effective oversight, accountability, and the allocation of resources to ensure the highest audit standards. The Audit Committee critically reviewed the qualifications and internal resources of Rongcheng. Rongcheng consists of a group of professional qualified accountants to provide clients with audit services. Many professional managers and staff of Rongcheng previously worked in Big Four international audit firms and had ample experience in performing annual audit for listed companies. Based on the profile provided by Rongcheng, the audit firm has sufficient level of manager level and senior level staff that are capable of carrying out audit for the Group.

Rongcheng’s governance arrangements align with the public interest, ensuring the audit function prioritizes accuracy, transparency, and integrity. The Audit Committee assessed the accountability of the engagement partner and senior leadership for audit quality. The engagement partner has the appropriate authority and experience to oversee the engagement and ensure adherence to quality standards. The Audit Committee is satisfied that Rongcheng’s governance and leadership sufficiently supports the delivery of a high-quality audit.

- (c). **Compliance with relevant ethical requirements:** Rongcheng demonstrated effective safeguards to mitigate potential ethical threats, including but not limited to partner rotation and engagement performance review by an independent team. The Audit Committee is confident that Rongcheng complies fully with ethical requirements and maintains the necessary independence and objectivity.
- (d). **Industry knowledge and technical competence:** The Audit Committee is satisfied with the industry knowledge of Rongcheng as Rongcheng is being the auditor of more than 55 listed companies in the Stock Exchange. In addition, professional managers and staff of Rongcheng previously worked in Big Four international audit firms who had ample experience in performing annual audit for listed companies.

As disclosed in the Announcement, Rongcheng has extensive experience, resources and capabilities in relation to China businesses, and particularly in the education industry. As such, the Audit Committee was of the view that Rongcheng is in a position to serve the needs of the Company and enhance the efficiency of the audit process.

- (e). **Engagement performance:** The Audit Committee critically reviewed the client base and industry experience of Rongcheng. Rongcheng is a registered Public Interest Entity (“**PIE**”) auditor (registration number: M0298). Currently, Rongcheng is the auditor of more than 55 listed companies in the Stock Exchange. In addition, it is noted that Rongcheng has extensive experience as auditors of listed issuers of Stock Exchange with business operations in Hong Kong and the Mainland China and serving similar/related business segment as the Group, which will bring benefits to the Group by completing a high quality audit within the timeframe.

Rongcheng's methodology was assessed and found to be aligned with current professional standards, including Hong Kong Standards on Auditing and Hong Kong Standard on Quality Management. It encourages the application of professional skepticism and sound judgment. The audit plan provided by Rongcheng outlined the allocation of sufficient resources, including time and personnel, to address critical risk areas. The engagement partner is actively involved in risk assessment, planning, and review. As informed by Rongcheng, the Audit Committee understands that Rongcheng's previous audit engagements were completed within agreed timelines, with no delays or disruptions.

Rongcheng proposed a viable timetable for completion of the 2026 audit. The Audit Committee is of the view that Rongcheng demonstrated good audit planning, consistent with effective engagement performance required to deliver audit quality.

- (f). **Communication and interaction with the Audit Committee:** The Audit Committee evaluated Rongcheng's communication protocols to ensure effective interaction and transparency. Rongcheng provided a detailed plan for regular communication with the Audit Committee, including scheduled updates on audit progress, key findings, and areas of concern. This detailed plan ensures timely reporting and effective issue resolution. Rongcheng has demonstrated openness and clarity in addressing queries and providing updates, fostering a strong collaborative relationship with the Audit Committee. The Audit Committee is satisfied that Rongcheng's communication plan supports effective oversight and collaboration.

Communication between Rongcheng and the Audit Committee was clear and efficient and there was also mutual understanding of the audit progress and the importance to complete audit work in a timely manner.

- (g). **Monitoring process:** The Audit Committee reviewed Rongcheng's internal and external monitoring processes to ensure continuous improvement and adherence to quality standards. Results from external inspections (e.g., by the Accounting and Financial Reporting Council) were reviewed. Rongcheng has consistently demonstrated compliance with auditing and ethical standards, with no significant deficiencies reported. Rongcheng's internal inspection results were assessed, including their processes for identifying and addressing deficiencies. Rongcheng has a robust system for monitoring audit quality and implementing remedial actions where necessary. Rongcheng's processes for adapting their audit methodology in response to inspection findings and regulatory developments were found to be effective. The Audit Committee is confident that Rongcheng's monitoring processes ensure continuous high-quality audit performance.

The Audit Committee is not aware of Rongcheng or any audit engagement team members, including the audit engagement partner, the engagement quality reviewer, and other key engagement team members, which are subject to regulatory actions.

After considering the factors outlined in section 2 of the Guide, the Audit Committee is fully satisfied that Rongcheng is independent, competent, and capable of delivering a high-quality audit. Their independence, governance and leadership, ethical compliance, industry expertise, engagement performance, communication protocols, and monitoring processes all meet the required standards.

THE CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITORS

In early March 2026, the Company, through its management team, approached KPMG, Rongcheng and other professional accounting firms to discuss the service plan and obtain fee quotations for the audit work in respect of the financial year ending 31 December 2026 (“**2026FY**”).

The management team of the Company had an internal discussion and assessment on service plans and fee proposals received in late March 2026.

On 14 April 2026, the Audit Committee reviewed and discussed the service plans and fee proposals from professional accounting firms submitted its recommendation on engagement of Rongcheng for the audit of the 2026FY to the Board. On the same date, the Board resolved to approve the proposed change of auditor which is subject to approval by the Shareholders at the AGM.

Save as disclosed above, all other information in the Announcement remains unchanged.

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

Hong Kong, 28 May 2026

As at the date of this announcement, the Board comprises one non-executive Director, namely Mr. Wu Junbao (Chairman); three executive Directors, namely Mr. Zhang Ming, Mr. Wang Yongkai and Ms. Chen Ming; and three independent non-executive Directors, namely Mr. Jiang Min, Mr. Yang Zhanjun and Mr. Yao Heping.