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**China Education Group Holdings Limited**

**中國教育集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 839)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2026**

The Board is pleased to announce the interim results of the Group for the six months ended 28 February 2026.

**HIGHLIGHTS**

	<b>Six months ended 28 February 2026 RMB million</b>	<b>Six months ended 28 February 2025 RMB million</b>	<b>Change RMB million</b>	<b>Change Percentage</b>
Revenue	<b>3,792</b>	3,673	<b>+119</b>	<b>+3.2%</b>
EBITDA	<b>2,038</b>	2,009	<b>+29</b>	<b>+1.4%</b>
Net profit	<b>838</b>	1,091	<b>-253</b>	<b>-23.2%</b>

Cash reserve was recorded RMB5,147 million as at 28 February 2026.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

#### **Non-IFRS Measures**

To supplement the condensed consolidated financial statements, which are presented in accordance with International Financial Reporting Standards (“IFRS”), the Company also uses earnings before interest, tax, depreciation and amortisation (“EBITDA”) and adjusted EBITDA as additional financial measures.

The Company presents these financial measures because they are used by the management to evaluate the Group’s financial performance by eliminating the impact of items that the management does not consider indicative of the performance of the Group’s business. The Company believes that the non-IFRS measures presented provide additional information to the Company’s management and investors to better understand and evaluate the Group’s consolidated operational performance. These measures assist both management and investors in comparing financial results across periods and with peer companies. However, the presentation of these non-IFRS measures have limitations as analytical tools because they exclude certain items that impact the Group’s financial results. Therefore, when assessing the Group’s financial and operational performance, non-IFRS measures should not be considered in isolation or as substitutes for profit for the period or any other performance measure calculated in accordance with IFRS. Furthermore, because other companies may calculate non-IFRS measures differently, they may not be directly comparable to similarly titled measures used by other companies.

## Calculation of Adjusted EBITDA

		Six months ended	
		28 February 2026	28 February 2025
		RMB million	RMB million
<b>Profit for the period</b>		<b>838</b>	1,091
Add:	Finance costs	<b>256</b>	237
	Taxation	<b>366</b>	157
	Depreciation of property, plant and equipment	<b>525</b>	478
	Depreciation of right-of-use assets	<b>53</b>	46
<b>EBITDA</b>		<b>2,038</b>	2,009
Adjustments for:	Foreign exchange gain/loss	<b>(43)</b>	66
	Fair value change on construction cost payables for school premises <sup>(i)</sup>	<b>33</b>	25
<b>Adjusted EBITDA</b>		<b>2,028</b>	2,100

Note:

- i. Non-cash fair value change on long-term construction cost payables for school premises, which are measured at fair value through profit or loss, which did not result in cash outflow.

## Revenue

The Group's revenue reached RMB3,792 million for the six months ended 28 February 2026, increased by 3.2% as compared to RMB3,673 million for the six months ended 28 February 2025.

## Domestic Market Segment

Revenue from domestic market segment increased from RMB3,544 million for the six months ended 28 February 2025 to RMB3,657 million for the six months ended 28 February 2026, representing a 3.2% increase. The increase in revenue was mainly driven by the growth in customer number and average selling price in the domestic market.

### ***International Market Segment***

Revenue from international market segment amounted to RMB135 million for the six months ended 28 February 2026, up 4.7% as compared to the RMB129 million generated in the six months ended 28 February 2025. The increase in revenue was mainly driven by a rise in customer number and average selling price.

### **Cost of Revenue**

The cost of revenue increased from RMB1,695 million for the six months ended 28 February 2025 to RMB1,822 million for the six months ended 28 February 2026, representing a 7.5% increase. With the expansion of the campus and the increase in curriculum, the investment in teachers and teaching were increased.

### **Gross Profit**

The Group's gross profit was RMB1,970 million for the six months ended 28 February 2026, which was comparable to RMB1,978 million for the six months ended 28 February 2025.

### **Other Income**

Other income mainly included income from on-campus management and service to vendors and other service income. The income from on-campus management and service to vendors and other service income were RMB57 million and RMB111 million, respectively, for the six months ended 28 February 2026 as compared to RMB87 million and RMB18 million, respectively, for the six months ended 28 February 2025.

### **Selling Expenses**

The Group's selling expenses were RMB97 million for the six months ended 28 February 2026 as compared to RMB95 million for the six months ended 28 February 2025. The selling expenses represented about 2.6% of revenue for the six months ended 28 February 2026 and 2025.

### **Administrative Expenses**

The Group's administrative expenses were RMB698 million for the six months ended 28 February 2026, increased by 23.3% as compared to RMB566 million for the six months ended 28 February 2025. The increase was mainly attributable to the higher indirect tax expenses and the new campuses and buildings commencing to use and starting to recognise depreciation.

## **Finance Costs**

The finance costs were RMB256 million for the six months ended 28 February 2026, increased by 8.0% as compared to RMB237 million for the six months ended 28 February 2025. For the six months ended 28 February 2026, the finance costs mainly represented i) the interest expenses on bank and other borrowings and bonds of RMB255 million (2025: RMB271 million) and ii) deduction of interest expenses capitalised in the cost of property, plant and equipment of RMB8 million (2025: RMB41 million).

## **Taxation**

The income tax expense increased by 133.1% from RMB157 million for the six months ended 28 February 2025 to RMB366 million for the six months ended 28 February 2026. This increase was primarily driven by a significant rise in enterprise income tax, which increased from RMB159 million for the six months ended 28 February 2025 to RMB345 million for the six months ended 28 February 2026.

## **Net Profit**

The Group's net profit was RMB838 million for the six months ended 28 February 2026 as compared to RMB1,091 million for the six months ended 28 February 2025. The decrease in net profit was primarily driven by higher income tax and indirect tax expenses as well as increased investments in teachers and teaching for the expansion of the campus and the increase in curriculum. The commencement of operations at the new campuses and buildings also resulted in an increase in depreciation.

## **EBITDA**

EBITDA was RMB2,038 million for the six months ended 28 February 2026, increase 1.4% as compared to RMB2,009 million for the six months ended 28 February 2025. Adjusting for the foreign exchange gain/loss and fair value change on construction cost payables for school premises, the adjusted EBITDA was decreased slightly by 3.4% from RMB2,100 million for the six months ended 28 February 2025 to RMB2,028 million for the six months ended 28 February 2026.

## **Property, Plant and Equipment**

Property, plant and equipment as at 28 February 2026 increased by 3.0% to RMB24,060 million from RMB23,362 million as at 31 August 2025. Increase in property, plant and equipment was mainly due to the construction of new buildings at existing campuses.

## **Capital Expenditures**

Our capital expenditures of property, plant and equipment for the six months ended 28 February 2026 were RMB1,223 million (2025: RMB1,207 million) and were primarily related to the construction of new buildings at existing campuses.

## **Cash Reserve**

Including cash and cash equivalents, restricted bank deposits and structured deposits recognised in financial assets at fair value through profit or loss, the cash reserve amounted to RMB5,147 million as at 28 February 2026 (31 August 2025: RMB6,744 million).

## **Liquidity, Financial Resources and Gearing Ratio**

As at 28 February 2026, the Group had bank and other borrowings and bonds of RMB10,240 million (31 August 2025: RMB10,233 million).

As at 28 February 2026, the net gearing ratio (which is calculated on the basis of total amount of bank and other borrowings and bonds, net of cash reserve, to total equity of the Group) was 25.7% (31 August 2025: 18.4%). As at 28 February 2026, the debt to asset ratio (which is calculated on the basis of total amount of bank and other borrowings and bonds to total assets) of 26.5% (31 August 2025: 26.0%). Certain borrowings and proceeds from placement were not yet fully utilised. In order to have a better use of our financial resources, the Group placed certain structured deposits during the six months ended 28 February 2026. The structured deposits were short-term liquidity management products with minimal risk exposure and the Group held these investments for short-term cash management purpose.

## **Treasury Policy**

During the six months ended 28 February 2026, the Group has adopted a prudent treasury policy and maintained a robust liquidity structure. In the management of the liquidity risk, the Group monitors and maintains appropriate levels of financial resources to meet its funding needs.

## **Foreign Exchange Risk Management**

The primary functional currency of the Group is RMB. For the Group's operation in the PRC, the major revenue and expenditures are denominated in RMB. For the Group's operations outside the PRC, the major revenue and expenditures are denominated in functional currencies of the relevant territories. The Group also has certain foreign currency bank balances, structured deposits and bank and other borrowings denominated in US Dollars, Hong Kong Dollars and Australian Dollars, which would expose the Group to foreign exchange risk. After assessing the cost and benefit, the Group did not use any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

## **Contingent Liabilities**

As at 28 February 2026, the Group had no significant contingent liability.

## **Charges on the Group's Assets**

As at 28 February 2026, the bank and other borrowings of the Group amounting to RMB8,058 million (31 August 2025: RMB7,962 million) were secured by tolling right of revenue, movable fixed assets under sale and leaseback arrangements and equity interest of certain subsidiaries of the Group.

## **Subsequent Event after the Reporting Period**

Subsequent to the end of the current interim period, the Company has fully repaid the guaranteed bonds in an aggregate principal amount of RMB500 million on 20 April 2026 (the maturity date).

## **BUSINESS OVERVIEW**

The Group is a leading provider of vocational education services. The Group is committed to developing more high-quality skilled professionals and enhancing the core competencies of vocational schools by cultivating a “dual-qualified” teaching workforce, establishing open regional academia-industry practice centers, expanding student development pathways, and innovating international exchange and cooperation mechanisms. The Group’s education management system has received ISO-9001 certification, and Deloitte has named the Group one of China’s “Best Managed Companies” for seven consecutive years. The Group operates in China, Australia, and the United Kingdom and has been listed on the main board of the Hong Kong Stock Exchange since 2017. The World Bank Group has designated the Group as an “inclusive business” due to its successful promotion of social equity.

During the reporting period, the Group closely aligned with national strategic requirements, committed itself to high-quality education and internal development, and enhanced the ecosystem of industry-education integration, thus continuously strengthening its core competitiveness. Through initiatives such as enhancing the development of a "dual-qualified" teaching workforce, modernizing curriculum frameworks, comprehensively promoting the deep integration of artificial intelligence and education and teaching, constructing open regional centers for industry-education integration, broadening pathways for student development, and innovating mechanisms for international exchange and cooperation, the Group has systematically upgraded the key competencies of its vocational institutions, consistently delivering highly skilled technical talents to society. Furthermore, the Group has continuously maintained investments in campus infrastructure and research, actively supporting its undergraduate institutions in their applications for master's degree awarding rights, thereby further enhancing their academic reputation and attractiveness.

Looking ahead, the Group remains optimistic about the long-term prospects of the education industry. The ongoing demand for high-quality education and vocational training aligns closely with national development strategies and individual career aspirations. Guided by the philosophy of "leading excellence and innovation in education" and driven by clear strategic planning, continuous innovation, and exceptional adaptability, the Group is confident it will maintain its leadership position in the evolving educational landscape. The Group aims to achieve transformative growth, cultivate strategic emerging talents aligned with contemporary development needs, and create sustained long-term value for students, faculty, shareholders, and all stakeholders.

## TOP-UP PLACING AND SUBSCRIPTION

### January 2021

The net proceeds amounted to approximately HK\$2,012.6 million (net of related costs, professional fees and out-of-pocket expenses) from the subscription completed on 3 February 2021 have been partly utilised, and are expect to be fully utilised for (1) potential acquisitions; and/or (2) expansion and development of the Group's new campuses in the Greater Bay Area. The Group did not have material acquisition during the six months ended 28 February 2026, and therefore results in delay in the use of proceeds. The Company expects that such unutilised proceeds shall be fully utilised by April 2027. The purposes for the use of proceeds are consistent with the intentions previously disclosed in the Company's announcements.

The following sets forth a summary of the utilisation of the net proceeds during the six months ended 28 February 2026:

Purpose	Percentage to total amount	Net proceeds amount <i>RMB million</i>	Unutilised	Utilised	Unutilised	Expected
			proceeds as at 1 September 2025 <i>RMB million</i>	proceeds during the period <i>RMB million</i>	proceeds as at 28 February 2026 <i>RMB million</i>	timeline for using the unutilised proceeds <i>RMB million</i>
Expansion and development of the Group's new campuses in the Greater Bay Area	70%	1,177.0	–	–	–	–
Potential acquisitions	30%	504.4	93.3	–	93.3	By April 2027
	<u>100%</u>	<u>1,681.4</u>	<u>93.3</u>	<u>–</u>	<u>93.3</u>	By April 2027

Further details of the top-up placing and the subscription are set out in the Company's announcements dated 26 January 2021 and 3 February 2021.

## **October 2021**

The net proceeds amounted to approximately HK\$1,170.0 million (net of related costs, professional fees and out-of-pocket expenses) from the subscription completed on 27 October 2021 are expect to be fully utilised for potential acquisitions in the modern-vocational education space. The Group did not have material acquisition during the six months ended 28 February 2026, and therefore results in delay in the use of proceeds. The Company expects that such unutilised proceeds shall be fully utilised by April 2027. The purposes for the use of proceeds are consistent with the intentions previously disclosed in the Company's announcements. As at 28 February 2026, none of the net proceeds has been utilised.

Further details of the top-up placing and the subscription are set out in the Company's announcements dated 19 October 2021 and 27 October 2021.

## **EMPLOYEES AND REMUNERATION POLICIES**

### **Remuneration**

As at 28 February 2026, the Group had 19,727 employees (28 February 2025: 19,149), a 3% increase from 2025's due to organic growth in employees in our existing schools and new campuses.

The remuneration packages of the employees of the Group are determined with reference to individual qualification, experience, performance, and prevailing market rate.

Remuneration policy of our schools is formulated under the guidance of the relevant laws and regulations of the local jurisdictions of our member schools and is also based on the industry characteristics as well as various market factors. Our schools determine their respective compensation standards based on the employment by function and by position. Schools participate in social insurance plans under the guidance of relevant policies and provide a variety of benefits for employees. Our employees are also members of retirement benefits schemes administrated by their respective jurisdictions.

### **Recruitment**

The Group follows relevant labour laws and regulations of its respective local jurisdictions in the recruitment process. We prohibit discrimination of staff by age, sex, race, nationality, religion or disability, etc., ensuring everyone has equal employment opportunities and respects.

Our schools recruit talents based on business development and operational needs, as well as candidate's integrity and professionalism. Our talent selection policy does not only focus on candidate's academic qualification, relevant work experience, past performance and professionalism, but also on candidate's morality, professional ethics and discipline.

The Group actively attracts talents through various means such as partnership with key universities, participation in job fairs, industry conferences, online platforms and employee referral. The Group establishes a comprehensive on-boarding system, provides pre-employment and on the job trainings for new teachers such as assigning mentors (senior/experienced teachers) in helping newly-hired teachers to have faster and smoother on-boarding transitions and integrations.

### **INTERIM DIVIDEND**

The Board does not declare an interim dividend for the six months ended 28 February 2026 (for the six months ended 28 February 2025: nil).

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

During the six months ended 28 February 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities or sold any treasury shares (as defined under the Listing Rules) of the Company.

### **CORPORATE GOVERNANCE PRACTICES**

During the six months ended 28 February 2026, the Company has complied with the applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "CG Code"), save and except for code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. Yu Kai currently serves as both the Co-chairman and the Chief Executive Officer of the Company. Although such practice deviates from code provision C.2.1 of the CG Code, the Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership to advance long-term strategy, and allowing for further deepening the monetization capabilities and optimising operating efficiency of the Group. In addition, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, given that (i) decisions to be made by the Board requires approval by at least a majority of the Directors; (ii) all the Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among others, that he/she acts for the benefit and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of two executive Directors and three INEDs and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both the Board and senior management levels.

The Board will continue to review and consider segregating the roles of Co-chairman and Chief Executive Officer at an appropriate time, taking into account the circumstances of the Group as a whole.

The Board believes that good corporate governance is essential in enhancing the confidence of the Shareholders, potential investors and business partners and is consistent with the Board's pursuit of value creation for the Shareholders. The Company is committed to enhancing its corporate governance practices appropriate to the conduct and the growth of its business and to reviewing such practices from time to time to ensure that the Company complies with statutory and professional standards and aligns with the latest development.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the Group's code of conduct to regulate the securities transactions of the Directors. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 28 February 2026. The Company has also established written guidelines no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of inside information of the Company.

No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company for the six months ended 28 February 2026.

## **AUDIT COMMITTEE**

The Audit Committee consists of three independent non-executive Directors and its main duties are to assist the Board in providing an independent review of the truthfulness, completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 28 February 2026.

Deloitte Touche Tohmatsu, the Company's auditor, had carried out review of the unaudited interim results of the Group for the six months ended 28 February 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaeducation.hk](http://www.chinaeducation.hk)). The interim report of the Company for the six months ended 28 February 2026 will be dispatched to the shareholders by post or by electronic means and published on the same websites in due course.

## **THE SHARE SCHEMES**

The Company adopted the Post-IPO Share Option Scheme and Share Award Scheme on 29 November 2017 to incentivize eligible participants for their contributions to the Group. The principal terms of both share schemes are detailed in the Company's Annual Report 2024/2025 for the year ended 31 August 2025.

### **Post-IPO Share Option Scheme**

As at the beginning of the period (i.e. 1 September 2025), the number of share options available for future grant (which represents the scheme mandate limit less total share options granted and adding back total share options lapsed) under the Post-IPO Share Option Scheme, were 196,505,000 shares of the Company ("Shares").

As at the end of the period (i.e. 28 February 2026), the number of share options available for future grant under the Post-IPO Share Option Scheme, were 196,505,000 Shares.

No Post-IPO share options have been granted or agreed to be granted by the Company during the period. As at 28 February 2026, the total number of Shares available for issue (which represents the aggregate of all outstanding share options (i.e. granted and not yet exercised, cancelled nor lapsed) and the share options available for future grant) under the Post-IPO Share Option Scheme were 199,800,000 Shares which represent approximately 7.13% of the total issued Shares (excluding treasury shares) as at 28 February 2026.

### **Share Award Scheme**

As at the beginning of the period (i.e. 1 September 2025), the number of share awards available for grant pursuant to the scheme mandate limit under the Share Award Scheme were 40,000,000 Shares.

As at the end of the period (i.e. 28 February 2026) and, the number of share awards available for grant pursuant to the scheme mandate limit under the Share Award Scheme were 40,000,000 Shares.

No share awards have been granted or agreed to be granted by the Company since the conditional adoption of the Share Award Scheme. As at 28 February 2026, the total number of Share available for issue (which represents the share awards available for future grant) under the Share Award Scheme were 40,000,000 Shares which represent approximately 1.43% of the total issued Shares (excluding treasury shares) as at 28 February 2026.

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

*For the six months ended 28 February 2026*

	NOTES	Six months ended	
		28 February 2026 <i>RMB million</i> (unaudited)	28 February 2025 <i>RMB million</i> (unaudited)
Revenue	3	3,792	3,673
Cost of revenue		(1,822)	(1,695)
Gross profit		1,970	1,978
Investment income		46	53
Other income	4	246	207
Other gains and losses		(7)	(92)
Selling expenses		(97)	(95)
Administrative expenses		(698)	(566)
Finance costs		(256)	(237)
Profit before taxation		1,204	1,248
Taxation	5	(366)	(157)
Profit for the period	6	838	1,091
Other comprehensive (expenses) income for the period, net of tax			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(1)	3
Total comprehensive income for the period		837	1,094
Profit for the period attributable to:			
Owners of the Company		757	967
Non-controlling interests		81	124
		838	1,091

	<b>Six months ended</b>	
	<b>28 February 2026</b>	28 February 2025
<i>NOTES</i>	<i>RMB million</i> <b>(unaudited)</b>	<i>RMB million</i> (unaudited)
Total comprehensive income attributable to:		
Owners of the Company	<b>756</b>	970
Non-controlling interests	<b>81</b>	124
	<b>837</b>	1,094
Earnings per share	8	
Basic and diluted (RMB cents)	<b>27.04</b>	35.63

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 28 February 2026

		At 28 February 2026	At 31 August 2025
	<i>NOTES</i>	<i>RMB million</i> (unaudited)	<i>RMB million</i> (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		24,060	23,362
Right-of-use assets		3,053	2,996
Goodwill		910	909
Other intangible assets		3,966	3,938
Deposits paid for acquisition of property, plant and equipment/right-of-use assets		128	141
Contract costs		52	53
Deferred tax asset		13	20
Restricted bank deposits		57	40
		<b>32,239</b>	<b>31,459</b>
<b>CURRENT ASSETS</b>			
Trade receivables, deposits, prepayments and other receivables	9	1,254	1,146
Financial assets at fair value through profit or loss		1,479	879
Contract costs		48	52
Restricted bank deposits		22	28
Cash and cash equivalents		3,589	5,797
		<b>6,392</b>	<b>7,902</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	10	34	32
Contract liabilities		3,775	4,610
Other payables and accrued expenses		2,110	2,780
Deferred income		49	51
Provisions		324	324
Lease liabilities		21	29
Income tax payable		50	86
Bank and other borrowings and bonds		2,953	2,412
		<b>9,316</b>	<b>10,324</b>
<b>NET CURRENT LIABILITIES</b>		<b>(2,924)</b>	<b>(2,422)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>29,315</b>	<b>29,037</b>

	At <b>28 February</b> <b>2026</b> <i>RMB million</i> <b>(unaudited)</b>	At 31 August 2025 <i>RMB million</i> (audited)
<b>NON-CURRENT LIABILITIES</b>		
Other payables	<b>709</b>	743
Deferred income	<b>65</b>	66
Lease liabilities	<b>93</b>	93
Deferred tax liabilities	<b>1,366</b>	1,356
Bank and other borrowings and bonds	<b>7,287</b>	7,821
	<u><b>9,520</b></u>	<u>10,079</u>
<b>NET ASSETS</b>	<u><b>19,795</b></u>	<u>18,958</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	_*	_*
Reserves	<b>17,500</b>	16,744
Equity attributable to owners of the Company	<b>17,500</b>	16,744
Non-controlling interests	<b>2,295</b>	2,214
<b>TOTAL EQUITY</b>	<u><b>19,795</b></u>	<u>18,958</u>

\* Less than RMB1 million

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 28 February 2026*

### **1. BASIS OF PREPARATION**

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

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration of the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets of RMB2,924 million as at 28 February 2026. This was primarily attributable to contract liabilities amounting to RMB3,775 million as at the same date, representing advance fees received from students, which will be recognized as revenue when the relevant performance obligations for the provision of vocational education services are satisfied and are not expected to result in material cash outflows in the foreseeable future. The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors of the Company consider that after taking into account the internal fund resources, the Group will have sufficient working capital to satisfy its present requirements for at least twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

### **2. ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 August 2025.

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 September 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

### 3. REVENUE AND SEGMENT INFORMATION

The Group mainly engages in the provision of vocational education services. Revenue represents services income from education services (including tuition fees and boarding fees) and ancillary services in the domestic and international markets.

Information reported to the Group's chief operating decision maker ("CODM"), being the directors of the Company, for the purpose of resource allocation and assessment of segment performance, was based on the geographical locations of the customers, namely domestic market and international market. A number of operating segments under the Domestic Market segment are aggregated to give rise to the below reportable segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" are as follows:

- Domestic Market segment focuses in the domestic Mainland China market, comprising education services (including tuition fees and boarding fees) delivered by higher vocational education institutions and secondary vocational education institutions as well as ancillary services; and
- International Market segment focuses in the international market, comprising education services (including tuition fees and boarding fees) delivered by institutions outside of the Mainland China.

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	<b>Domestic Market RMB million</b>	<b>International Market RMB million</b>	<b>Total RMB million</b>
<i>For the six months ended 28 February 2026 (unaudited)</i>			
Revenue	<u>3,657</u>	<u>135</u>	<u>3,792</u>
Segment results	<u>1,402</u>	<u>16</u>	<u>1,418</u>
Investment income			46
Other gains and losses			(7)
Finance costs			(256)
Unallocated corporate income and expenses			<u>3</u>
Profit before taxation			<u>1,204</u>

	Domestic Market <i>RMB million</i>	International Market <i>RMB million</i>	Total <i>RMB million</i>
<i>For the six months ended 28 February 2025 (unaudited)</i>			
Revenue	<u>3,544</u>	<u>129</u>	<u>3,673</u>
Segment results	<u>1,518</u>	<u>23</u>	1,541
Investment income			53
Other gains and losses			(92)
Finance costs			(237)
Unallocated corporate income and expenses			<u>(17)</u>
Profit before taxation			<u>1,248</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of investment income, other gains and losses, finance costs and unallocated corporate income and expenses. This is the measure reported to the CODM of the Group for the purpose of resource allocation and performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

#### **Revenue from major services**

The following is an analysis of the Group's revenue by types of services:

	<b>Six months ended</b>	
	<b>28 February 2026 <i>RMB million</i> (unaudited)</b>	28 February 2025 <i>RMB million</i> (unaudited)
Education services recognised over time	<b>3,769</b>	3,646
Ancillary services recognised over time	<u>23</u>	<u>27</u>
	<u><b>3,792</b></u>	<u>3,673</u>

## Geographical information

The Group mainly operates in the Mainland China and Australia.

Information about the Group's revenue from customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from customers		Non-current assets <i>(Note)</i>	
	Six months ended		At	At
	28 February 2026	28 February 2025	28 February 2026	31 August 2025
	<i>RMB million</i> (unaudited)	<i>RMB million</i> (unaudited)	<i>RMB million</i> (unaudited)	<i>RMB million</i> (audited)
Mainland China	3,657	3,544	31,389	30,654
Australia	135	129	778	743
Hong Kong, China	—	—	2	2
	<u>3,792</u>	<u>3,673</u>	<u>32,169</u>	<u>31,399</u>

*Note:* Non-current assets exclude financial instruments and deferred tax asset.

## 4. OTHER INCOME

	Six months ended	
	28 February 2026	28 February 2025
	<i>RMB million</i> (unaudited)	<i>RMB million</i> (unaudited)
Income from on-campus management and service to vendors	57	87
Other service income	111	18
Government grants <i>(Note)</i>	29	49
Others	49	53
	<u>246</u>	<u>207</u>

*Note:* Government grants mainly represent subsidies for procurement of laboratory apparatus and equipment and conducting educational programmes in the Mainland China for both periods.

## 5. TAXATION

	<b>Six months ended</b>	
	<b>28 February 2026</b>	28 February 2025
	<i>RMB million</i>	<i>RMB million</i>
	<b>(unaudited)</b>	(unaudited)
Income tax charge (credit):		
Current tax		
— Enterprise Income Tax	<b>345</b>	159
— Australian Corporate Income Tax	<b>4</b>	1
Deferred tax	<b>17</b>	(3)
	<hr/>	<hr/>
	<b>366</b>	157
	<hr/> <hr/>	<hr/> <hr/>

## 6. PROFIT FOR THE PERIOD

	<b>Six months ended</b>	
	<b>28 February 2026</b>	28 February 2025
	<i>RMB million</i>	<i>RMB million</i>
	<b>(unaudited)</b>	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
— salaries and other allowances	<b>1,112</b>	1,033
— retirement benefit scheme contributions	<b>174</b>	160
	<hr/>	<hr/>
Total staff costs	<b>1,286</b>	1,193
	<hr/>	<hr/>
Depreciation of property, plant and equipment	<b>525</b>	478
Depreciation of right-of-use assets (net of capitalised as cost of construction in progress)	<b>53</b>	46
Foreign exchange (gains) losses, net (included in other gains and losses)	<b>(43)</b>	66
	<hr/> <hr/>	<hr/> <hr/>

## 7. DIVIDENDS

During the current interim period, the Company recognised the following dividend as distribution:

	<b>Six months ended</b>	
	<b>28 February 2026</b>	28 February 2025
	<i>RMB million</i>	<i>RMB million</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Final dividend for the year ended 31 August 2025 of nil (six months ended 28 February 2025: final dividend for the year ended 31 August 2024 of RMB10.28 cents) per ordinary share	–	279

The 2024 final dividend was settled in cash, with an alternative to receive the dividend (or part thereof) in form of scrip shares. The 2024 final dividend had been settled by cash of Hong Kong dollars (“HK\$”) 89 million (equivalent to RMB82 million) and the issue of 86,521,644 ordinary shares of the Company during the year ended 31 August 2025.

No dividend has been proposed since the end of the reporting period ended 28 February 2026 (the six months ended 28 February 2025: nil).

## 8. EARNINGS PER SHARE

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

	<b>Six months ended</b>	
	<b>28 February 2026</b>	28 February 2025
	<i>RMB million</i>	<i>RMB million</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings:</b>		
Profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	757	967
	<i>million</i>	<i>million</i>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	2,800	2,714

The computation of diluted earnings per share for each of the six months ended 28 February 2026 and 28 February 2025 did not assume the exercise of the Company’s share options granted under the Company’s share option schemes as the adjusted exercise prices of those share options were higher than the average market prices of the shares of the Company for these periods.

## 9. TRADE RECEIVABLES AND RECEIVABLES FROM EDUCATION BUREAUS

The following is an analysis of trade receivables and receivables from education bureaus, net of allowance for credit losses, by age, presented based on debit note.

	At <b>28 February 2026</b> <i>RMB million</i> <b>(unaudited)</b>	At 31 August 2025 <i>RMB million</i> (audited)
0–90 days	23	31
Over 90 days	<u>100</u>	<u>43</u>
	<u><b>123</b></u>	<u><b>74</b></u>

## 10. TRADE PAYABLES

The credit period granted by suppliers on purchase of consumables and provision of services ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on invoice date at the end of reporting period.

	At <b>28 February 2026</b> <i>RMB million</i> <b>(unaudited)</b>	At 31 August 2025 <i>RMB million</i> (audited)
0–30 days	10	9
31–90 days	20	23
Over 90 days	<u>4</u>	<u>–</u>
	<u><b>34</b></u>	<u><b>32</b></u>

## 11. CAPITAL COMMITMENTS

	<b>At 28 February 2026 <i>RMB million</i> (unaudited)</b>	<b>At 31 August 2025 <i>RMB million</i> (audited)</b>
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment and right-of-use assets	<b><u>248</u></b>	<b><u>348</u></b>

## DEFINITIONS

“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China and for the purposes of this document only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, Macau and Taiwan
“Company”	China Education Group Holdings Limited (中國教育集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”, “we”, “us”, or “our”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“Shareholder(s)”	holder(s) of our Share(s)
“Shares”	the ordinary share(s) in the capital of the Company with a par value of HK\$0.00001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”	United States dollars, the lawful currency of the United States
“%”	per cent

The English names of the PRC entities, PRC laws or regulations, PRC awards/accreditations, and the PRC governmental authorities referred to in this announcement are merely translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

By order of the Board  
**China Education Group Holdings Limited**  
**Chan Yuen Fung**  
*Company Secretary*

Hong Kong, 30 April 2026

*As at the date of this announcement, the executive directors of the Company are Dr. Yu Kai and Mr. Wang Rui, and the independent non-executive directors of the Company are Dr. Gerard A. Postiglione, Dr. Rui Meng and Dr. Wu Kin Bing.*