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XJ International Holdings Co., Ltd.

希教國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1765)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

THE DISPOSAL

On 31 July 2026 (after trading hours), the Purchaser, the Vendor, the Target Company and the Purchaser's Guarantor entered into the Equity Transfer Agreement, pursuant to which, the Vendor has conditionally agreed to transfer, and the Purchaser has conditionally agreed to acquire 100% equity interest in the Target Company and its subsidiary entities. The Vendor would receive the Equity Consideration and the shareholders' net debt for the Disposal, totaling RMB395.72 million, of which the Equity Consideration is RMB377.20 million and the shareholders' net debt is RMB18.52 million, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement. The Purchaser's Guarantor has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations and responsibilities by the Purchaser and the Target Subjects in accordance with the Equity Transfer Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Company will convene an EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder. A circular containing, among other things, information relating to the Equity Transfer Agreement, further information on the Disposal and a notice of EGM and other information as required under the Listing Rules is expected to be dispatched to the Shareholders on or before 21 August 2026.

The Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 31 July 2026 (after trading hours), the Purchaser, the Vendor, the Target Company and the Purchaser's Guarantor entered into the Equity Transfer Agreement, pursuant to which, the Vendor has conditionally agreed to transfer, and the Purchaser has conditionally agreed to acquire 100% equity interest in the Target Company and its subsidiary entities. The Vendor would receive the Equity Consideration and the shareholders' net debt for the Disposal, totaling RMB395.72 million, of which the Equity Consideration is RMB377.20 million and the shareholders' net debt is RMB18.52 million, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement. The Purchaser's Guarantor has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations and responsibilities by the Purchaser and the Target Subjects in accordance with the Equity Transfer Agreement.

MAJOR TERMS OF THE DISPOSAL

Date: 31 July 2026

Parties: (i) the Target Company;
(ii) the Vendor;
(iii) the Purchaser; and
(iv) the Purchaser's Guarantor.

Subject matter

Pursuant to the Equity Transfer Agreement, (i) the Vendor has conditionally agreed to transfer and the Purchaser has conditionally agreed to acquire 100% equity interest in the Target Company and its subsidiary entities; (ii) the Purchaser has conditionally agreed to make repayment of the shareholders' net debt to the Vendor and its related parties on behalf of the Target Subjects, the amount of which is to be finalised by the Vendor and the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement; and (iii) the Purchaser's Guarantor has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations and responsibilities by the Purchaser and the Target Subjects in accordance with the Equity Transfer Agreement.

Consideration and basis of consideration

The Vendor would receive the Equity Consideration and the shareholders' net debt for the Disposal, totaling RMB395.72 million, of which the Equity Consideration is RMB377.20 million and the shareholders' net debt is RMB18.52 million, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement and would be paid by the Purchaser in cash.

The Total Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, taking into account the appraised value of 100% equity interest in the Target Company as at 30 June 2026 as valuation date, as evaluated by an independent third-party valuer using the Asset-Based Approach, and the total amount of the aforesaid debt.

Condition precedent

Completion is subject to the approval of the required resolutions in respect of the Equity Transfer Agreement and the transactions contemplated thereunder by the Directors and Shareholders at the meeting of the Board or the EGM.

Transaction arrangement

- (a) on the date of signing of the Equity Transfer Agreement, the Purchaser shall pay the Vendor a deposit of RMB10 million;
- (b) within 7 days upon the consideration and approval by the shareholders' meetings of the Company and the Vendor, the Purchaser shall pay to the Vendor the first instalment of the transaction amount of RMB365.72 million. The deposit of RMB10 million paid by the Purchaser as mentioned in (a) shall be automatically converted into the first instalment of transaction amount, totaling RMB375.72 million. In particular, RMB357.20 million represents the Equity Consideration, and shall be directly paid to the Vendor by the Purchaser; the remaining RMB18.52 million represents the shareholders' net debt and is subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement, with the Purchaser

providing the corresponding capital to the Target Subjects for settlement. The date of payment of the aforesaid first instalment of transaction amount is the “Closing Date”;

- (c) upon the Vendor cooperating to complete the transfer of administration authority, the Purchaser shall pay the Vendor the remaining Equity Consideration of RMB20 million.

As at the date of this announcement, the Vendor has received a deposit of RMB8 million.

The payment terms under the Equity Transfer Agreement have been structured to align with commercial best practices and the Company’s financial needs, and were arrived at after arm’s length negotiations between the Vendor and the Purchaser, taking into account prevailing market practices and the current payment terms being the most favourable for the Company and the Shareholders. As detailed above, the Purchaser’s Guarantor has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations and responsibilities by the Purchaser and the Target Subjects in accordance with the Equity Transfer Agreement to safeguard the Company’s interests. After careful consideration, the Board believes that the payment arrangement is commercially fair and reasonable, the associated risks are appropriately mitigated, and the payment terms align with the best interests of the Company and its Shareholders.

Guarantee

The Purchaser’s Guarantor has agreed to provide an irrevocable joint and several guarantee for the performance of the obligations and responsibilities by the Purchaser and the Target Subjects in accordance with the Equity Transfer Agreement.

INFORMATION OF THE PURCHASER AND THE PURCHASER’S GUARANTOR

The Purchaser is a company established under the laws of the PRC with limited liability in 2026, and is a state-owned enterprise mainly engaged in education management and education industry investment.

The Purchaser’s Guarantor is a company established under the laws of the PRC with limited liability in 2023, and is a state-owned enterprise mainly engaged in securities investment consultation, corporate headquarter management and venture capital.

To the best of the Directors’ knowledge, information and belief (having made all reasonable enquiries) and based on the information provided, the Purchaser and the Purchaser’s Guarantor are Independent Third Parties.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company is an investment holding company and its subsidiaries (including its consolidated affiliated entities) are principally engaged in private higher education.

The Vendor is a limited liability company established under the laws of the PRC on 13 January 2005, and is a wholly-owned subsidiary of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability, mainly engaged in education management and education industry investment. As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

FINANCIAL INFORMATION OF THE TARGET SUBJECTS

Set out below is the financial information of the Target Subjects based on the unaudited consolidated financial statements of the Target Subjects for the two years ended 31 August 2024 and 31 August 2025:

Target Company

	For the year ended 31 August 2024 <i>RMB'000</i> (Unaudited)	For the year ended 31 August 2025 <i>RMB'000</i> (Unaudited)
Profit/(loss) before income tax	58,523.89	44,806.61
Profit/(loss) after income tax	57,709.64	43,210.58

The unaudited consolidated net asset value of the Target Subjects as at 31 August 2025 was RMB415.7 million.

CREDIT ASSESSMENT

The Company has performed a comprehensive credit risk assessment of the Purchaser before entering into the Equity Transfer Agreement. The Company has verified the information provided by the Purchaser, including but not limited to the Purchaser's business license and articles of association. The Purchaser is a state-owned enterprise with strong financial capabilities and a solid reputation.

Additionally, the Company has conducted a credit assessment of the Purchaser using publicly available resources (including the National Enterprise Credit Information Publicity System, China Judgments Online, and the China Enforcement Information Disclosure Network). The search results indicate that the Purchaser is not involved in any unresolved litigation or listed as a judgment debtor. Based on this assessment, the Company considers the Purchaser to have a favorable credit standing and sufficient financial capacity to fulfill its obligations under the Disposal.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Group, and its financial results, assets and liabilities will cease to be consolidated into the consolidated financial statements of the Group. It is estimated that, upon completion of the Disposal, the Company will record an unaudited loss of approximately RMB64.3 million from the Disposal, which was based on the Equity Consideration. The Company's estimated profit or loss from the Disposal is unaudited and may vary upon completion of the Disposal, subject to the concrete and final consideration amount of the Disposal. The Group intends to utilize the net proceeds from the Disposal for the improvement of operation condition of its existing schools and satisfy the needs for basic operation condition.

REASONS FOR AND BENEFITS OF THE DISPOSAL

(i) The Company's strategic transformation shifts from pursuing the scale and quantity of schools to high-quality schools, concentrating resources on improving quality and cultivating excellence; and (ii) responding to the national policy guidance of encouraging multi-level social capital to run schools, and recovering funds to support the Company's sustainable development.

Given the above reasons, the Directors (including independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms, and are fair and reasonable. The Disposal is in line with the business strategy of the Group, and is in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Any Shareholder and his/her close associate(s) with a material interest in the Disposal shall abstain from voting on the resolution approving the Disposal in the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the Disposal; and therefore, none of them will be required to abstain from voting on the relevant resolution to approve the Disposal at the EGM.

GENERAL

The Company will convene an EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

A circular containing, among other things, information relating to the Equity Transfer Agreement, further details of the Disposal, a notice of the EGM and other information as required under the Listing Rules will be dispatched to the Shareholders on or before 21 August 2026, as additional time is required by the Company to enter into the Equity Transfer Agreement and for the preparation of relevant information for inclusion in the circular.

The Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Closing Date”	the payment date for the first instalment of the transaction amount under the Equity Transfer Agreement
“Company”	XJ International Holdings Co., Ltd.* (希教國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 100% equity interest in the Target Company and its subsidiary entities by the Vendor to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement

“EGM”	an extraordinary general meeting of the Company to be convened and held to approve the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Consideration”	the amount of the Total Consideration after deducting the shareholders’ net debt, subject to adjustment pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement of Sichuan Yonghe Education Investment Limited* (四川永和投資有限公司) to be entered into between the Vendor and the Purchaser, pursuant to which the Vendor shall dispose and the Purchaser shall acquire 100% equity interest in the Target Company and its subsidiary entities
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party(ies) independent of, and not connected with, the Company and its connected persons which has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Purchaser”	Qizhi Guoxin (Sichuan) Education Technology Co., Ltd.* (啓智國信(四川)教育科技有限公司), a company incorporated in the PRC with limited liability
“Purchaser’s Guarantor”	Zhongyu Holdings (Yunnan) Group Co., Ltd.* (中禹控股(雲南)集團有限公司), a company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Sichuan Yonghe Education Investment Limited* (四川永和 Education 投資有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of the Vendor
“Target Subjects”	the Target Company and its subsidiary entities
“Total Consideration”	the total consideration of the Disposal of RMB395.72 million
“Vendor”	Sichuan Hope Education Industry Group Limited (四川希望教育 產業集團有限公司), a limited liability company established under the laws of the PRC on 13 January 2005, and a wholly-owned subsidiary of the Group
“%”	percent

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By Order of the Board
XJ International Holdings Co., Ltd.
Zhang Bing
Chairman and executive Director

Hong Kong, 31 July 2026

As at the date of this announcement, the executive Directors are Mr. Wang Huiwu, Mr. Zhang Bing, Mr. Deng Yi and Mr. Wang Xiaowu; the non-executive Directors are Mr. Xu Changjun and Ms. Wang Xiu; and the independent non-executive Directors are Mr. Wang Shunhong, Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan.