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Minsheng Education Group Company Limited
民生教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1569)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2026:

– The total revenue of the Group was approximately RMB883.0 million, representing a slight decrease of approximately 1.3% as compared to the six months ended 30 June 2025.

– The gross profit of the Group was approximately RMB402.0 million, representing an increase of approximately 13.1% as compared to the six months ended 30 June 2025, and the gross profit margin increased from approximately 39.7% to approximately 45.5%.

– The EBITDA of the Group was approximately RMB231.1 million, representing a decrease of approximately 7.6% as compared to the six months ended 30 June 2025.

As at 30 June 2026:

– The total assets of the Group were approximately RMB10,277.6 million; and the cash reserves of the Group were approximately RMB2,863.5 million.

– The Group's gearing ratio which is calculated by dividing total interest-bearing bank and other borrowings by total equity, was approximately 53.0%.

The board (the "**Board**") of directors (the "**Director(s)**") of Minsheng Education Group Company Limited (the "**Company**") is pleased to announce the consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**we**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with the comparative figures for the corresponding period in 2025.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
	Notes	**2026**	2025
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
REVENUE	*4*	**882,968**	894,786
Cost of sales		**(481,003)**	(539,374)
Gross profit		**401,965**	355,412
Other income and gains	*4*	**46,525**	55,762
Selling expenses		**(44,007)**	(54,297)
Administrative expenses		**(214,467)**	(196,236)
Other expenses, net		**(62,147)**	(22,332)
Finance costs		**(73,902)**	(67,351)
PROFIT BEFORE TAX	*5*	**53,967**	70,958
Income tax expense	*6*	**(13,578)**	(21,597)
PROFIT FOR THE PERIOD		**40,389**	49,361
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of foreign operations		**59,308**	6,596
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**59,308**	6,596

	Notes	Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of the Company		**(11,629)**	(1,781)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(11,629)**	(1,781)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**47,679**	4,815
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**88,068**	54,176
(Loss)/profit attributable to:			
Owners of the parent		**(5,486)**	(4,075)
Non-controlling interests		**45,875**	53,436
		40,389	49,361
Total comprehensive income attributable to:			
Owners of the parent		**45,514**	281
Non-controlling interests		**42,554**	53,895
		88,068	54,176
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (RMB)	*8*	**(0.0013)**	(0.0010)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2026

	Notes	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**3,559,389**	3,482,206
Right-of-use assets		**807,260**	830,492
Goodwill		**1,758,089**	1,758,089
Other intangible assets		**45,251**	58,486
Financial assets at fair value through profit or loss		**19,773**	17,166
Deferred tax assets		**13,679**	11,231
Restricted bank deposits		**551,321**	768,621
Other non-current assets		**192,791**	263,975
Total non-current assets		**6,947,553**	7,190,266
CURRENT ASSETS			
Inventories		**5,151**	5,416
Trade receivables	*9*	**205,314**	218,792
Prepayments, other receivables and other assets		**684,426**	639,306
Financial assets at fair value through profit or loss		**123,001**	107,301
Restricted bank deposits		**810,834**	383,896
Cash and cash equivalents		**1,501,335**	2,243,600
Total current assets		**3,330,061**	3,598,311
CURRENT LIABILITIES			
Trade payables	*10*	**416,961**	427,954
Contract liabilities	*11*	**118,394**	896,349
Other payables and accruals	*12*	**674,265**	675,735
Dividend payable		**199,725**	206,117
Deferred income		**8,815**	14,733
Interest-bearing bank and other borrowings		**1,643,333**	1,656,706
Loans from the ultimate holding company		**172,140**	173,648
Tax payable		**23,967**	38,267
Total current liabilities		**3,257,600**	4,089,509
NET CURRENT ASSETS/(LIABILITIES)		**72,461**	(491,198)
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,020,014**	6,699,068

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Deferred income	**200,061**	212,237
Interest-bearing bank and other borrowings	**1,183,153**	934,382
Other long term liability	**229,272**	232,898
Deferred tax liabilities	**78,289**	78,380
Total non-current liabilities	**1,690,775**	1,457,897
Net assets	**5,329,239**	5,241,171
EQUITY		
Equity attributable to owners of the parent		
Share capital	**322**	322
Reserves	**4,367,481**	4,321,967
	4,367,803	4,322,289
Non-controlling interests	**961,436**	918,882
Total equity	**5,329,239**	5,241,171

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2026

1. CORPORATE AND GROUP INFORMATION

Minsheng Education Group Company Limited (the "**Company**") was incorporated in the Cayman Islands on 13 December 2005 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2026 (the "**Period**"), the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in providing educational services in the People's Republic of China (the "**PRC**").

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the Period has been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the Group's annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. The unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand except otherwise indicated.

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

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

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

(a) on-campus education

(b) online education

The board of directors and chief operating decision maker monitor the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance cost s as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Six months ended 30 June 2026	**On-campus education** *RMB'000* **(Unaudited)**	**Online education** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue *(note 4)*			
Sales to external customers	**804,337**	**78,631**	**882,968**
Intersegment sales	**–**	**1,043**	**1,043**
Total segment revenue	**804,337**	**79,674**	**884,011**
Reconciliation:			
Elimination of intersegment sales			**(1,043)**
Revenue			**882,968**
Segment results	**273,556**	**(102,767)**	**170,789**
Interest income			**13,613**
Corporate and other unallocated expenses			**(56,835)**
Finance costs (other than interest on lease liabilities)			**(73,600)**
Profit before tax			**53,967**

Six months ended 30 June 2025	On-campus education *RMB'000* (Unaudited)	Online education *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(note 4)*			
Sales to external customers	782,801	111,985	894,786
Intersegment sales	–	1,149	1,149
Total segment revenue	782,801	113,134	895,935
Reconciliation:			
Elimination of intersegment sales			(1,149)
Revenue			894,786
Segment results	268,826	(98,177)	170,649
Interest income			4,271
Corporate and other unallocated expenses			(37,159)
Finance costs (other than interest on lease liabilities)			(66,803)
Profit before tax			70,958

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2026 and 31 December 2025:

	On-campus education *RMB'000*	**Online education** *RMB'000*	**Total** *RMB'000*
Segment assets			
30 June 2026 (unaudited)	9,034,083	1,243,531	10,277,614
31 December 2025 (audited)	10,843,285	1,580,902	12,424,187
Segment liabilities			
30 June 2026 (unaudited)	3,297,913	1,650,462	4,948,375
31 December 2025 (audited)	3,556,751	2,342,921	5,899,672

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Tuition fees	**733,362**	717,682
Boarding fees	**70,975**	65,119
Distance education services	**14,166**	50,184
Teacher training services	**5,884**	9,262
Online courses services	**5,170**	14,567
Sales of books	**6,451**	6,406
Other educational services	**46,960**	31,566
Total	**882,968**	894,786
Other income and gains		
Investment income from short-term investments measured at fair value through profit or loss	**4,329**	8,809
Fair value gain on financial assets at fair value through profit or loss, net	**3,269**	–
Rental income:		
Fixed lease payments	**8,683**	10,693
Variable lease payments	**834**	–
Bank interest income	**13,613**	4,271
Government grants		
– Related to assets	**7,815**	10,237
– Related to income	**1,151**	4,407
Foreign exchanges, net	**–**	4,763
Others	**6,831**	12,582
Total	**46,525**	55,762

Disaggregated revenue information for revenue from contracts with customers

Six months ended 30 June 2026

Segments	**On-campus education** *RMB'000* **(Unaudited)**	**Online education** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Timing of revenue recognition			
Revenue recognised over time:			
Tuition fees	**733,362**	**–**	**733,362**
Boarding fees	**70,975**	**–**	**70,975**
Distance education services	**–**	**14,166**	**14,166**
Teacher training services	**–**	**5,884**	**5,884**
Online courses services	**–**	**5,170**	**5,170**
Other educational services	**–**	**40,884**	**40,884**
Revenue recognised at a point in time:			
Sales of books	**–**	**6,451**	**6,451**
Commission income	**–**	**6,076**	**6,076**
Total	**804,337**	**78,631**	**882,968**

Six months ended 30 June 2025

Segments	On-campus education *RMB'000* (Unaudited)	Online education *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Timing of revenue recognition			
Revenue recognised over time:			
Tuition fees	717,682	–	717,682
Boarding fees	65,119	–	65,119
Distance education services	–	50,184	50,184
Teacher training services	–	9,262	9,262
Online courses services	–	14,567	14,567
Other educational services	–	29,163	29,163
Revenue recognised at a point in time:			
Sales of books	–	6,406	6,406
Commission income	–	2,403	2,403
Total	782,801	111,985	894,786

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**88,880**	88,896
Less: amount matched with other long term liability	**2,482**	3,883
	86,398	85,013
Depreciation of right-of-use assets	**16,386**	16,747
Less: amount matched with other long term liability	**1,144**	1,144
	15,242	15,603
Amortisation of other intangible assets	**15,185**	15,491
Lease payments not included in the measurement of lease liabilities	**2,490**	8,195
Auditor's remuneration	**1,600**	1,800
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**299,516**	285,096
Equity-settled share option expense	**–**	12
Pension scheme contributions (defined contribution schemes)	**57,767**	81,987
	357,283	367,095
Foreign exchange differences, net	**7,258**	(4,763)
Impairment of financial assets:		
Impairment of trade receivables	**20,194**	17,409
Impairment of financial assets included in prepayments, other receivables and other assets	**1,972**	458
	22,166	17,867
Investment income from short-term investments measured at fair value through profit or loss	**(4,329)**	(8,809)
Bank interest income	**(13,613)**	(4,271)
Fair value (gain)/loss from an equity investment at fair value through profit or loss	**(3,269)**	2,676
Loss/(gain) on disposal of items of property, plant and equipment, net	**263**	(411)
Donation expense	**322**	365

6. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the Period	**16,117**	23,875
Deferred	**(2,539)**	(2,278)
Total	**13,578**	21,597

7. INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,217,720,000 (2025: 4,217,720,000) shares in issue during the Period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share option had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation	**(5,486)**	(4,075)
Shares		
Weighted average number of ordinary shares outstanding during the Period used in the basic and diluted loss per share calculation	**4,217,720,000**	4,217,720,000

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Period, based on the transaction date and net of loss allowance, is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 1 year	**91,170**	132,633
1 to 2 years	**97,925**	70,452
2 to 3 years	**12,442**	12,831
Over 3 years	**3,777**	2,876
Total	**205,314**	218,792

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Period, based on the invoice date, is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 1 year	**171,470**	110,274
1 to 2 years	**88,475**	235,688
2 to 3 years	**88,156**	76,821
Over 3 years	**68,860**	5,171
Total	**416,961**	427,954

The trade payables are non-interest-bearing and are normally settled on 30-60-day terms.

11. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Short-term advances received from customers		
Tuition fees	**7,109**	744,262
Boarding fees	**12,556**	86,682
Distance education service fees	**9,009**	8,653
Other education business	**89,720**	56,752
Total	**118,394**	896,349

12. OTHER PAYABLES AND ACCRUALS

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Accrued bonuses and other employee benefits	**80,418**	82,822
Payables for catering services	**11,735**	8,156
Payables for purchase of property, plant and equipment	**184,863**	195,502
Payables for management fee	**50,139**	47,728
Miscellaneous expenses received from students	**166,886**	152,257
Tuition fees received from students	**52,444**	46,776
Other tax payable	**2,648**	6,829
Payables for audit fee	**3,914**	5,062
Payables for interest	**2,488**	5,956
Refund liabilities	**914**	620
Consideration payable for business combination	**42,225**	42,225
Payables to the non-controlling shareholder of subsidiaries	**20,000**	20,000
Other payables	**55,591**	61,802
Total	**674,265**	675,735

13. EVENT AFTER THE PERIOD

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE PROSPECTS

As of 30 June 2026, the Group operated and managed 10 schools (including 7 higher education institutions, 2 secondary vocational schools and 1 high school) in Chongqing, Shandong, Yunnan and Inner Mongolia with the total number of students of approximately 100,000 (of which full time undergraduate students amounted to approximately 65,000).

The Group is a leading "Internet +" vocational education group in China. In addition to its integrated vocational education service capabilities of "Enrollment – Assessment – Teaching – Practical Training – Examination – Employment", the Group continued to gather resources of learning services and resources of employment services, and continuously improved the comprehensive ability of employment services for talents, connecting colleges, students and enterprises to realize data interoperability and precise matching employment services for talents. At present, the Group has perfected the layout of the following business sectors: (i) on-campus education, (ii) online education services, (iii) vocational ability improvement and training, (iv) education informatization services, (v) human resources services, (vi) examination and evaluation services, and (vii) international education services. As at 30 June 2026, the Group has served students and users at the total scale of more than 50 million, and formed an online + offline vocational education network and talent employment service system covering the whole nation.

Looking ahead, the Group's colleges will continue to strengthen the supporting role of education in science and technology and talent development, and improve the level of talent cultivation through the deep integration of technological innovation and industrial development. The Group will continue to (i) increase the investment in resources and optimize the teaching environment and equipment; (ii) promote the integration of education and industry, and strengthen the cultivation of application – oriented talents; (iii) the integration of education and high technology to empower talent development; and (iv) build a digital service platform ecosystem for "learning, employment, and entrepreneurship.

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group derives revenue primarily from providing on-campus education and online education services to students and users.

The total revenue slightly decreased by approximately 1.3% to approximately RMB883.0 million for the six months ended 30 June 2026 from that of approximately RMB894.8 million for the six months ended 30 June 2025, which was mainly due to the decrease in the revenue of online education segment due to the market condition during the Reporting Period.

Cost of sales

Cost of sales consists primarily of teaching staff costs, depreciation and amortization, cost of cooperative education, utilities and other costs.

The cost of sales decreased by approximately 10.8% from approximately RMB539.4 million for the six months ended 30 June 2025 to approximately RMB481.0 million for the six months ended 30 June 2026. This decrease was primarily due to the decrease in the operating costs and the relevant expenses of online education during the Reporting Period.

Gross profit

The gross profit increased by approximately 13.1% from approximately RMB355.4 million for the six months ended 30 June 2025 to approximately RMB402.0 million for the six months ended 30 June 2026, and gross profit margin increased from approximately 39.7% to approximately 45.5%, which was mainly due to the decrease in the operating costs and the relevant expenses of online education as stated above.

Other income and gains

Other income and gains consist primarily of government grants, interest income, rental income, etc.

Other income and gains decreased by approximately 16.6% from approximately RMB55.8 million for the six months ended 30 June 2025 to approximately RMB46.5 million for the six months ended 30 June 2026. This decrease was primarily due to the decrease in the government grants received by the Group's colleges during the Reporting Period.

Selling expenses

Selling expenses consist primarily of salaries and other benefits for our staff who are in charge of student recruitment and promoting, promoting expenses and student recruitment expenses and marketing cost of the online education entities.

Selling expenses decreased by approximately 19.0% from approximately RMB54.3 million for the six months ended 30 June 2025 to approximately RMB44.0 million for the six months ended 30 June 2026, which was mainly due to (i) decrease in and structure optimisation of sales and marketing staff; and (ii) decrease in promoting and marketing cost of the online education entities during the Reporting Period.

Administrative expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, professional consultation fees, office-related expenses, depreciation and amortization of office buildings and equipment, environment and health expenses and travel and transportation expenses.

Administrative expenses increased by approximately 9.3% from approximately RMB196.2 million for the six months ended 30 June 2025 to approximately RMB214.5 million for the six months ended 30 June 2026 due to the increase in the professional consultation fees of the Group during the Reporting Period.

Other expenses, net

Other expenses consist primarily of expenses relating to the supplementary payment of real estate tax and the expected credit loss.

Other expenses substantially increased from approximately RMB22.3 million for the six months ended 30 June 2025 to approximately RMB62.1 million for the six months ended 30 June 2026. This increase was mainly due to the supplementary payment of real estate tax and its related expenses of one of the Group's colleges during the Reporting Period.

Finance costs

Finance costs mainly include interests on interest-bearing bank and other borrowings.

Finance costs increased by approximately 9.7% from approximately RMB67.4 million for the six months ended 30 June 2025 to approximately RMB73.9 million for the six months ended 30 June 2026, which was mainly due to the increase in the interest-bearing bank and other borrowings by the Group during the Reporting Period.

Profit for the period

As a result of the above factors, profit for the period of the Group decreased by approximately 18.2% from approximately RMB49.4 million for the six months ended 30 June 2025 to approximately RMB40.4 million for the Reporting Period.

Adjusted net profit

The Group defines its adjusted net profit as its profit for the period after adjusting for those items 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 an important supplemental measure of the Group's operational performance for use by the Group's management as well as analysts or investors. The profit and adjusted net profit of the Group for the periods presented are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**40,389**	49,361
Add:		
Unrealised exchange gain	**(3,477)**	(5,427)
Share option expenses	**–**	12
Amortisation of intangible assets due to consolidation	**10,503**	10,503
Change in fair value loss/(gain)	**(3,269)**	2,676
Adjusted net profit	**44,146**	57,125

Adjusted net profit for the Reporting Period decreased by approximately RMB13.0 million or approximately 22.8% as compared with that of the corresponding period in 2025. Adjusted net profit margin decreased from approximately 6.4% for the six months ended 30 June 2025 to approximately 5.0% for the Reporting Period.

FINANCIAL AND LIQUIDITY POSITION

Net current assets and liabilities

As at 30 June 2026, the Group had net current assets of approximately RMB72.5 million, which primarily consisted of cash and bank balances and interest-bearing bank and other borrowings. The current assets as at 30 June 2026 decreased to approximately RMB3,330.1 million from approximately RMB3,598.3 million as at 31 December 2025. The decrease in the current assets was primarily attributable to a reduction in of cash and cash equivalents and restricted bank deposits during the Reporting Period.

The current liabilities decreased from approximately RMB4,089.5 million as at 31 December 2025 to approximately RMB3,257.6 million as at 30 June 2026. The decrease in current liabilities was primarily attributable to a decrease of contract liabilities during the Reporting Period.

Interesting-bearing bank and other borrowings

The Group's interest-bearing bank and other borrowings primarily consist of short-term working capital loans to supplement our working capital and finance our expenditure and long-term project loans for the continuous development of our school buildings and facilities.

The bank loans and other borrowings amounted to approximately RMB2,826.5 million as at 30 June 2026, denominated in Renminbi, United States dollar ("**US$**") and Hong Kong dollar ("**HK$**"). As at 30 June 2026, our bank loans and other borrowings bore effective interest rates ranging from 2.2% to 10.1% per annum. The loan of Chongqing Zhenzhi Zhiye Co., Ltd.* (重慶臻智置業有限責任公司) (a wholly-owned subsidiary of Chongqing Electronic Information College* (重慶電信職業學院)) amounted to RMB5.6 million, with interest rates ranging from 15%-24% per annum.

The Group maintains a balance between continuity of funding and flexibility through generated cash flows from operating activities and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

Contingent liabilities

Grant of option in relation to the acquisition of 49% of issued share capital of Leed International

Minsheng Vocational Education Company Limited ("**Minsheng Vocational**") and Leed Education Holding Limited, National Education Holding Limited and Hyde Education Holding Limited (collectively, the "**Vendors**") are in dispute over a put option for the sale of 49% shares in Leed International Education Group Inc. ("**Leed International**") under the Share Purchase Agreement (the "**SPA**") entered into between the parties in 2018, and have been undergoing arbitration ("**HKIAC Arbitration**") before the Hong Kong International Arbitration Center ("**HKIAC**"). The Vendors claimed for an inflated exit price of RMB2,180,735,567.50 to sell its 49% shares in Leed International to Minsheng Vocational, whereas Minsheng Vocational disagreed with the Vendors' interpretation of the SPA and denied that the relevant clause of the SPA was validly exercised. HKIAC issued a partial award (the "**Partial Award**") on 6 February 2026, which provides that specific performance of the relevant clause of the SPA shall be ordered together with payment of damages, if any, by Minsheng Vocational for breach of the SPA and such consequential relief including interest as may be just. Subsequent to HKIAC Arbitration proceedings and the issuance of the Partial Award, the Company has obtained new facts and evidence which, in its view, demonstrate that the Vendors had breached the SPA by failing to comply with applicable PRC and foreign laws. As a result, the Directors are of the view that the Partial Award contains defects in both law and fact, and the Company has commenced proceedings in the Court of First Instance seeking to set aside the Partial Award in July 2026. In light of the latest developments following the Partial Award, the Directors are actively pursuing all necessary and appropriate legal measures to safeguard the Company's legitimate interests. The Directors are cautiously optimistic that these legal measures will result in a favourable outcome. Accordingly, the Group made no provision related to the aforesaid arbitration as at 30 June 2026.

Update on provision of loans to Leed National Education Technology (Beijing) Limited

In February 2019 and June 2019, Chongqing Yuecheng Zhiyuan Education Technology Company Limited ("**Chongqing Yuecheng**") extended loans in an aggregate principal amount of RMB400,000,000 to Leed National Education Technology (Beijing) Limited (a company designated by the Vendors, "**Leed National**") and 49% shares in Leed International held by Vendors been charged as the guarantee under the loan agreements. In May 2023, the Vendors and Leed National filed a request for arbitration (the "**CIETAC Arbitration**") with China International Economic and Trade Arbitration Commission ("**CIETAC**") claiming that the obligation to repay the principal of RMB400,000,000 and corresponding unpaid interest under the loan agreements has been extinguished and Chongqing Yuecheng and Minsheng Vocational were not entitled to enforce the charge following the effective exercise of the put option by the Vendors at an exercise price of RMB2,180,735,567.50 and the set-off clause under the loan agreements. In August 2023, Chongqing Yuecheng and Minsheng Vocational filed a counter-claim for arbitration, requesting for an award for the repayment by Leed National to Chongqing Yuecheng of the principal amount totaling RMB400,000,000 under the loan agreement, together with the corresponding unpaid interest and additional late payment fees. As at the date of this interim results announcement, the arbitration with CIETAC is still in progress.

In May 2023, the Vendors filed an originating summons with the Grand Court of the Cayman Islands to apply for an interim injunction to restrain Minsheng Vocational from taking any steps to enforce a series of share charges (the "**Share Charges**") over 49% of the issued share capital of Leed International. In August 2023, a conditional and time-limited injunction order was issued by the Grand Court of the Cayman Islands (the "**Injunction Order**"). The Company had filed an appeal to the Court of Appeal of the Cayman Islands to set aside the Order, and applied for leave to further appeal to the Judicial Committee of the Privy Council from September 2023 to March 2025, which were not successful. As at the date of this interim results announcement, Minsheng Vocational remained restrained from enforcing the Share Charges pursuant to the Injunction Order, while the CIETAC Arbitration was not yet decided. Therefore, the outstanding principal and corresponding unpaid interest and the charge are still subsisting.

For further details of the provision of loans and the disputes, please refer to the announcements of the Company dated 26 December 2018, 4 January 2019, 27 June 2019, 28 July 2023, 3 September 2023 and 10 February 2026. The Company will issue further announcement(s) as and when required.

Pledge of assets

As at 30 June 2026, certain of the Group's buildings and equipment with a net carrying amount of approximately RMB76.6 million (as at 31 December 2025: RMB77.5 million) and time deposits amounting to RMB1,346.0 million (as at 31 December 2025: RMB1,139.9 million) were pledged to secure bank loans and other borrowings.

The carrying value of the Group's buildings and equipment held under sale and leaseback arrangements as at 30 June 2026 was RMB771.2 million (as at 31 December 2025: RMB487.3 million). Leased assets were pledged as security for the related sale and leaseback liabilities.

Foreign exchange exposure

The majority of the Group's revenue and expenditures are denominated in RMB. As at 30 June 2026, certain bank balances were denominated in US$ and HK$. The Group currently does not have any foreign currency hedging policy. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by dividing total interesting bearing bank and other borrowings by total equity, increased to approximately 53.0% as at 30 June 2026 from approximately 49.4% as at 31 December 2025. The increase was mainly due to the increase in the interest-bearing bank and other borrowings of the Group during the Reporting Period.

Significant investments, material acquisitions and disposals

During the six months ended 30 June 2026, the Group did not have any significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures.

As of the date of this announcement, the Group did not have any future plans for material investments or capital assets.

Salary increment for employees, training and development

As at 30 June 2026, the Group has approximately 6,500 employees (as at 31 December 2025: approximately 6,600 employees).

In the first half of 2026, in order to motivate our faculty staff for better work performance, the Group has reviewed and increased the salaries of certain employees. The increment in salaries is based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. As required by the PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including pension, medical, maternity, work-related injury, unemployment insurance and housing provident fund.

In addition, the Group provides training programs to its existing and newly recruited employees and/or sponsors its employees to attend various job-related training courses.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to be a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the prevailing legal and commercial standards, focusing on areas such as risk management and internal control, fair disclosure and accountability to all the Shareholders to ensure the transparency and accountability of all operations of the Group. The Company believes that effective corporate governance is the foundation to create more value for the Shareholders. The Board will continue to review and improve the corporate governance practices of the Company from time to time to ensure that the Company is led by an effective Board in order to optimize return for the Shareholders.

Throughout the six months ended 30 June 2026, the Company has complied with the applicable code provisions of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry with all the Directors, it is confirmed that all the Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 30 June 2026 (For the six months ended 30 June 2025: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Reporting Period.

As at 30 June 2026, the Company did not hold any treasury shares.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management in relation to the accounting principles and practices adopted by the Company, the Group's internal controls and financial report matters, and the Company's policies and practices on corporate governance during the Reporting Period. The interim results of the Group for the Reporting Period have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews. hk) and the Company (http://www.minshengedu.com). The interim report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders (if requested) and available on the above websites in due course.

By order of the Board
Minsheng Education Group Company Limited
Li Xuechun
Chairman

Hong Kong, 25 August 2026

As at the date of this announcement, the executive Directors are Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung, the non-executive Directors are Ms. Xu Wenya and Ms. Li Yanping, and the independent non-executive Directors are Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew.

In this announcement, the English translation of company or entity names in Chinese marked with "" is for identification purpose only.*