中汇集团
Edvantage Group

Edvantage Group Holdings Limited

中滙集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 0382

2024
ANNUAL REPORT

Contents

Definitions

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

"2019 Share Award Scheme"	the share award scheme approved and adopted by the Shareholders on 6 June 2019
"2019 Share Option Scheme"	the share option scheme conditionally approved and adopted by our Company on 6 June 2019 which have become effective on the Listing Date
"2024 Share Award Scheme"	the share award scheme approved and adopted by the Shareholders on 19 January 2024
"2024 Share Option Scheme"	the share option scheme approved and adopted by the Shareholders on 19 January 2024
"AGM"	the annual general meeting of the Company to be held on 24 January 2025
"Articles" or "Articles of Association"	the articles of association of the Company adopted on 6 June 2019 with effect from the Listing Date, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of directors of the Company
"BVI"	British Virgin Islands
"BVI Holdco"	Debo Education Investments Holdings Limited (德博教育投資控股有限公司), a company incorporated in the BVI with limited liability on 19 March 2018 and a company owned as to 50% and 50% by Mr. Liu and Ms. Chen, respectively
"CG Code"	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual report, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	Edvantage Group Holdings Limited (中滙集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 18 October 2018
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Liu, Ms. Chen and BVI Holdco, a company owned as to 50% and 50% by Mr. Liu and Ms. Chen, respectively
"Director(s)"	the director(s) of the Company
"Edvantage Institute Australia" or "EIA"	Edvantage Institute Australia Pty Ltd, a company incorporated in Victoria, Australia with limited liability on 8 February 2017 and an indirect wholly-owned subsidiary of the Company
"Edvantage Institute (Singapore)" or "EIS"	Edvantage Institute (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on 5 June 1991 and was acquired by the Group as an indirect wholly-owned subsidiary of the Company in December 2019
"ESG"	Environmental, social and governance
"Global Business College of Australia" or "GBCA"	Global Business College of Australia Pty. Ltd, a company incorporated in Victoria, Australia with limited liability on 26 June 2014 and an indirect wholly-owned subsidiary of the Company
"Global Move"	Global Move Pty. Ltd, a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"Greater Bay Area"	the "Guangdong-Hong Kong-Macau Greater Bay Area", which refers to the region linking two special administrative regions, namely Hong Kong and Macau Special Administrative Region of the PRC, and the nine cities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing and forming an integrated economic and business hub under PRC Government's scheme
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries
"Guangdong Sun City Industrial"	Guangdong Sun City Industrial Co., Ltd.* (廣東太陽城實業有限公司), a company established in the PRC with limited liability on 8 May 2007
"Guangdong Technical School Project OPCO Group"	Guangdong Technical School Project OPCO, Guangdong Sun City Industrial and Huashang Technical School
"Guangdong Technical School Project Registered Shareholders"	Ms. Lai Liu (賴柳) and Ms. Huang Xiaolan (黃小蘭)

"Guangdong Technical School Project Structured Contracts"	collectively, (i) the Business Cooperation Agreement; (ii) Exclusive Technical Service and Management Consultancy Agreement; (iii) the Exclusive Call Option Agreement; (iv) the Shareholders' Rights Entrustment Agreement; (v) the Equity Pledge Agreement with the Registered Shareholders; (vi) the Equity Pledge Agreement with the Guangdong Technical School Project OPCO; (vii) the School Sponsor's and Directors' Entrustment Agreement; (viii) the School Sponsor's Powers of Attorney; (ix) the Appointee(s)' Powers of Attorney; (x) the Registered Shareholder(s)' Powers of Attorney; and (xi) the Spouse Undertakings, referred to and with details set out in the announcement of the Company dated 14 December 2021 and as revised as set out in the announcement of the Company dated 27 January 2022
"Guangzhou Zhiheng Education"	Guangzhou Zhiheng Education Consulting Co., Ltd* (廣州智蘅教育諮詢有限公司) (formerly named as Guangzhou Zhiheng Education Development Co., Ltd.* (廣州智蘅教育發展有限公司)), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"HK$" or "Hong Kong dollars"	Hong Kong dollars and cents, each being the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huagang Enterprise Management"	Guangzhou Huagang Enterprise Management Co., Ltd.* (廣州市華港企業管理有限公司), a company incorporated in the PRC with limited liability on 25 August 2014 and an indirect wholly-owned subsidiary of the Company
"Huashang College"	Guangzhou Huashang College (廣州華商學院), a private school registered as a private non-enterprise unit under the laws of the PRC on 30 May 2006
"Huashang Technical School"	Guangdong Huashang Technical School (廣東華商技工學校), a private school registered as a private non-enterprise unit under the laws of the PRC, which is wholly-owned by Guangdong Sun City Industrial
"Huashang Vocational College"	Guangzhou Huashang Vocational College (廣州華商職業學院), a private school registered as a private non-enterprise unit under the laws of the PRC on 25 June 2009
"Huawei Education"	Guangzhou Huawei Education Consulting Co., Ltd.* (廣州市華威教育諮詢有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

"Huizhi Property"	student dormitory and teaching buildings at Tangmei Village, Xintang Town, Zengcheng District, Guangzhou, the PRC owned by Guangzhou Huizhi Education Investment Co., Ltd.* (廣州市滙智教育投資有限公司), a company established under the laws of the PRC with limited liability
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"Jiangmen Property"	student dormitory and teaching buildings at Xiangshan, Shuibei Village, Yamen Town, Xinhui District, Jiangmen, Guangdong Province, the PRC owned by Huashang Vocational College
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	16 July 2019, on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange that is independent from and operates in parallel with the GEM of the Stock Exchange
"Memorandum"	the memorandum of association of the Company adopted on 6 June 2019 with effect from the Listing Date, as amended from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Liu"	Mr. Liu Yung Chau (廖榕就), the founder of the Company, a Controlling Shareholder, an executive Director, the chairman of the Board and the spouse of Ms. Chen
"Ms. Chen"	Ms. Chen Yuan, Rita (陳練瑛), a Controlling Shareholder, an executive Director and the spouse of Mr. Liu
"Nanning Zhuowen Education" or "Sichuan School Project OPCO"	Nanning Zhuowen Education Consulting Services Co., Ltd.* (南寧市卓文教育諮詢服務有限公司), a company established in the PRC with limited liability

"Negative List"	The "Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition)" became effective on 1 November 2024, repealing the previous list published at the end of 2021
"Nomination Committee"	the nomination committee of the Board
"OPCO Groups"	the Sichuan School Project OPCO Group and the Guangdong Technical School Project OPCO Group, collectively, and each an "OPCO Group"
"OPCOs"	the Sichuan School Project OPCO and the Guangdong Technical School Project OPCO, collectively, and each an "OPCO"
"PRC Government" or "State"	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the content requires, any of them
"Prospectus"	the prospectus of the Company dated 4 July 2019
"Registered Shareholders"	the Sichuan School Project Registered Shareholders and/or the Guangdong Technical School Project Registered Shareholders (as the case may be)
"Remuneration Committee"	the remuneration committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of US$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Shenzhen Qianhai Zhuochuang" or "Guangdong Technical School Project OPCO"	Shenzhen Qianhai Zhuochuang Education Investment Co., Ltd.* (深圳前海卓創教育投資有限公司), a company established in the PRC with limited liability
"Sichuan New Concept Education"	Sichuan New Concept Education Investment Co., Ltd.* (四川新概念教育投資有限公司), a company established in the PRC with limited liability
"Sichuan School Project OPCO Group"	Sichuan School Project OPCO, Sichuan New Concept Education, Urban Vocational College and Urban Technician College

"Sichuan School Project Registered Shareholders"	Mr. Zhan Jianke (湛建科) and Mr. Wu Zijian (伍梓健), employees of the associated companies of the Group
"Sichuan School Project Structured Contracts"	collectively, (i) the Business Cooperation Agreement; (ii) Exclusive Technical Service and Management Consultancy Agreement; (iii) the Exclusive Call Option Agreement; (iv) the Shareholders' Rights Entrustment Agreement; (v) the Equity Pledge Agreement with the Registered Shareholders; (vi) the Equity Pledge Agreement with Nanning Zhuowen Education; (vii) the School Sponsors' and Council Members' Entrustment Agreement; (viii) the School Sponsors' Powers of Attorney; (ix) the Council Members' Powers of Attorney; (x) the Shareholders' Powers of Attorney; and (xi) the Spouse Undertakings, referred to and with details set out in the announcement of the Company dated 4 December 2020
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	the Sichuan School Project Structured Contracts and/or the Guangdong Technical School Project Structured Contracts (as the case may be)
"subsidiary(ies)"	any entity within the meaning of the term "subsidiary" as defined in the Listing Rules and the term "subsidiaries" shall be construed accordingly
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Sun City Development"	Guangzhou Zengcheng Sun City Development Co., Ltd.* (廣州市增城太陽城發展有限公司), a company established in the PRC with limited liability on 9 December 2003 and a subsidiary of the Company
"Sun City Group"	Guangzhou Sun City Group Co., Ltd.* (廣州市太陽城集團有限公司), a company established in the PRC with limited liability on 27 May 2011 and a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50% respectively
"Sun City Hotel"	Guangzhou Sun City Hotel Co., Ltd.* (廣州太陽城大酒店有限公司), a company established in the PRC with limited liability on 22 November 1993 and a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"Triple Way"	Triple Way Investments (Australia) Pty. Ltd, a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"United States", "U.S." or "US"	the United States of America

"Urban Technician College"	Urban Technician College of Sichuan (四川城市技師學院), a private school registered as a private non-enterprise unit under the laws of the PRC on 22 May 2018
"Urban Vocational College"	Urban Vocational College of Sichuan (四川城市職業學院), a private school registered as a private non-enterprise unit under the laws of the PRC on 29 July 2008
"US dollar(s)", "U.S. dollar(s)", "US$", or "USD"	United States dollars, the lawful currency of the United States
"Weijia Vehicle"	Guangzhou Weijia Vehicle Sales Company Limited (廣州市偉加汽車銷售有限公司), a company owned by Mr. Liu, Ms. Chen, Ms. Ye Runmian (葉潤棉), the spouse of Mr. Liu Yung Kan (廖榕根), Mr. Liu Kong Wai (廖廣偉), the son of Mr. Liu Yung Kan, and Mr. Liu Yung Kwong (廖榕光), the brother of Mr. Liu, as to 22.5%, 22.5%, 28%, 12% and 15%, respectively
"Woguan Education"	Guangzhou Woguan Education Consulting Co., Ltd.* (廣州沃冠教育諮詢有限公司), a company established in the PRC with limited liability on 10 October 2016 and an indirect wholly-owned subsidiary of the Company
"Xinyue Trading"	Guangzhou Xinyue Trading Co., Ltd.* (廣州市欣躍貿易有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Yixiang Property Management"	Guangzhou Yixiang Property Management Co., Ltd.* (廣州市毅翔物業管理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Yizhong Travel"	Guangzhou Yizhong Travel Agency Co., Ltd.* (廣州怡眾旅行社有限公司), a company wholly-owned by Sun City Group, which in turn is indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"Zengcheng Property"	student dormitory and teaching buildings at No. 1, Huashang Road, Zengcheng District, Guangzhou, Guangdong Province, owned by Huashang Vocational College
"Zhaoqing Property"	student dormitory and teaching buildings in Dongcheng Street, Si-hui, Zhaoqing, Guangdong Province, the PRC owned by Huashang College
"%"	per cent

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

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yung Chau *(Chairman)*
Ms. Chen Yuan, Rita
Ms. Liu Yi Man *(Chief Executive Officer)*

Non-executive Director

Mr. Liu Yung Kan

Independent Non-executive Directors

Mr. Xu Gang
Mr. O'Yang Wiley
Mr. Li Jiatong

COMPANY SECRETARY

Ms. Chan Kit Wai *(HKICPA)*

AUTHORISED REPRESENTATIVES

Mr. Liu Yung Chau
Ms. Chan Kit Wai *(HKICPA)*

AUDIT COMMITTEE

Mr. O'Yang Wiley *(Chairman)*
Mr. Xu Gang
Mr. Li Jiatong

REMUNERATION COMMITTEE

Mr. Xu Gang *(Chairman)*
Mr. O'Yang Wiley
Mr. Li Jiatong

NOMINATION COMMITTEE

Mr. Xu Gang *(Chairman)*
Mr. O'Yang Wiley
Mr. Li Jiatong

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1–1104
Cayman Islands

HEADQUARTERS IN THE PRC

No. 1 Huashang Road
Licheng Street, Zengcheng
Guangzhou
Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1115, 11/F, Wing On Plaza
62 Mody Road
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1–1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Link Market Services (Hong Kong) Pty Limited
Suite 1601, 16/F., Central Tower
28 Queen's Road Central
Central
Hong Kong

LEGAL ADVISER

Ronald Tong & Co
Room 501, 5/F
Sun Hung Kai Centre
30 Harbour Road
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

STOCK CODE

Stock Code: 0382

COMPANY'S WEBSITE

www.edvantagegroup.com.hk

PRINCIPAL BANKERS

Guangzhou Rural Commercial Bank Co., Ltd.
Gualv Road Sub-branch
29 Gualv Road
Licheng Street, Zengcheng
Guangzhou
Guangdong Province
The PRC

Bank of Communications Co., Ltd.
Guangzhou Xintang Sub-branch
365 Gangkou Avenue North
Xintang Town
Guangzhou
Guangdong Province
The PRC

China Construction Bank Corporation Co., Ltd.
Zengcheng Sub-branch
69 Zengcheng Avenue
Licheng Street, Zengcheng
Guangzhou
Guangdong Province
The PRC

Bank of China Limited
Guangzhou Zengcheng Xintang
Sub-branch
130 North Jiefang Road
Xintang Town, Zengcheng
Guangzhou
Guangdong Province
The PRC

Financial Highlights

	For the year ended 31 August		Percentage change
	2024	2023	
	RMB'000	*RMB'000*	
Revenue	**2,311,986**	1,972,982	**17.2%**
Cost of revenue	**(1,187,842)**	(954,589)	24.4%
Gross profit	**1,124,144**	1,018,393	**10.4%**
Other income	**130,065**	104,993	23.9%
Interest income	**25,798**	13,582	89.9%
Other gains and losses	**(24,945)**	(40,003)	(37.6%)
Selling and administrative expenses	**(413,847)**	(350,642)	18.0%
Finance costs	**(32,221)**	(26,289)	22.6%
Profit before taxation	**808,994**	720,034	12.4%
Taxation	**(4,873)**	(1,232)	295.5%
Profit for the year	**804,121**	718,802	11.9%
Profit for the year attributable to owners of the Company	**714,746**	618,370	15.6%
Non-IFRSs measure — Adjusted net profit attributable to owners of the Company *(Note i)*	**746,708**	667,825	11.8%
Basic earnings per share *(RMB cents)*	**62.86**	56.19	11.9%
Number of student enrolments	**95,630**	86,173	11.0%

The Board has recommended the payment of a Final Dividend of HK10.0 cents per Share for the year ended 31 August 2024, to be payable in cash with a scrip alternative, subject to the approval of the Shareholders at the AGM.

Note:

(i) Please refer to the Financial Review section for methods of preparing the adjusted net profit attributable to owners of the Company.

Financial Summary

Results

	Year ended 31 August				
	2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*	2023 *RMB'000*	**2024** ***RMB'000***
Revenue	800,092	1,251,644	1,685,972	1,972,982	**2,311,986**
Cost of revenue	(403,848)	(620,746)	(836,467)	(954,589)	**(1,187,842)**
Gross profit	396,244	630,898	849,505	1,018,393	**1,124,144**
Profit before taxation	307,970	483,979	652,917	720,034	**808,994**
Profit for the year	291,487	469,716	645,180	718,802	**804,121**
Adjusted net profit *(Note)*	309,070	515,663	656,879	768,257	**836,083**

Note: Adjusted net profit is determined by adjusting profit for the year for the effect of net foreign exchange gain or loss, share-based payments, listing expenses, fair value change on investment properties and impairment loss recognised under ECL model, if any.

Assets and Liabilities

	At 31 August				
	2020 *RMB'000*	2021 *RMB'000*	2022 *RMB'000*	2023 *RMB'000*	**2024** ***RMB'000***
Non-current assets	2,192,817	4,859,302	5,642,991	6,370,998	**6,638,518**
Current assets	1,335,572	1,306,785	1,575,105	2,124,295	**2,463,030**
Current liabilities	1,092,210	1,769,651	2,170,915	2,572,455	**2,728,200**
Net current assets (liabilities)	243,362	(462,866)	(595,810)	(448,160)	**(265,170)**
Total assets less current liabilities	2,436,179	4,396,436	5,047,181	5,922,838	**6,373,348**
Total equity	1,834,928	3,045,955	3,567,605	4,235,328	**4,848,008**
Non-current liabilities	601,251	1,350,481	1,479,576	1,687,510	**1,525,340**
Total equity and non-current liabilities	2,436,179	4,396,436	5,047,181	5,922,838	**6,373,348**

Dear Shareholders,

On behalf of the Board of Edvantage Group Holdings Limited, I am pleased to present the report of the annual results of the Group for the year ended 31 August 2024 to fellow Shareholders. I would like to express my heartfelt thanks to all Shareholders for their trust and support to the Group.

Business development of Edvantage Group has been solid and sound in the recent years. National policies supporting vocational education are crucial to the steady improvement in our results. We are deeply motivated by the statement "education, science and technology, talent function as basic and strategic underpinnings of the PRC modernization" made on the third plenary session of the 20th Central Committee. Such statement not only defined the core position of education in terms of national development, but also provided specific directions for the Group's future development. We firmly believe that as an infrastructure of technological development, education shall gain more importance and play a significant role in supporting the promotion of PRC modernization and social advancement. The "Opinions on Promoting the High-Quality Development of Service Consumption" issued by the State Council in August 2024 demonstrated the specific requests and determination of the PRC to enhance vocational education quality and efficiencies as well as to establish high standards for vocational schools and professionalism. The national policies on vocational education once again provide a strong endorsement. We shall ride on this opportunity to focus on high-quality content creation and to speed up our development to become the leader and model for high-quality private education development.

"Founding of century-old school and nurturing talents for the benefit of the nation" is not only the founding mission of Edvantage Group, it is also the education philosophy that we have been adhering to. As known to all, education is a long-term business that is crucial to the nation's future as well as the development and dream of each student. Pursuant to such philosophy, we adhere to our founding mission and carry the enthusiasm for education like it is the first day. It is our mission to provide high-quality education and cultivate generations and generations of talents with innovation and global vision. We firmly believe that the quality of education goes beyond the passing on of knowledge, it is also reflected in the modeling of values and personalities of our students. As such, we have been constantly developing new teaching models, enhancing teaching qualifications, upgrading teaching facilities to ensure our education meets the society's need towards talents, and to provide the best learning experiences for our students. We strive to create a high-quality school brand so as to pay respect to the education business and appreciation of the trust of each Shareholder.

Given the promotion of the national industries, the need for vocational education talents have been growing among advanced manufacturing and modern service industries. During the past year, we have been making precise deployments in various key areas to constantly enrich our schools. In terms of formal vocational education, we have been expanding the new campuses of Huashang College and Huashang Vocational College to provide a more spacious learning environment for our students and to create a sound foundation for our future enrolment plan and sustainable development. During the reporting period, we have commenced the construction of the sports activity centre of the Guangzhou campus, the project has been completed and is expected to commence operation during 2025/2026 school year. The construction of the sports activity centre shall largely increase the floor area of the Guangzhou campus' indoor arena and provide a comprehensive and advanced sports and leisure venue for our students and teachers. The sports activity centre shall satisfy students' needs on exercise, social and sporting techniques enhancement as well as to strengthen the Group's school brand. The number of our teachers grows as Doctoral Workstation of Guangdong Province have been set up in Huashang College and Huashang Vocational College. The Group currently has 305 teachers holding doctoral degrees. Such ample teaching qualifications shall promote high-quality development of our teaching quality.

We believe that the power of education is about potential stimulation and innovation cultivation. As such, we have been constantly promoting innovative education to encourage students to explore and practice, with an aim to enhance their problem solving abilities. Meanwhile, we also focus on cultivating their global vision. We provide students with opportunities to reach out to the world through international exchange and cooperation programs. In terms of integration of industry and education, in the recent years, we have developed a dual empowerment teaching model which consolidates academics with industries to materialize dual motivation of theoretical teaching and practical innovation. We have been actively consolidating industry resources, building platforms of industry, academics and research, cooperating with various leading enterprises, exploring innovative school operation models and cultivating high-quality talents who possess strong practical skills, innovative thinking and meet industry requirements. These efforts and exploration are based on our deep understanding of the education business and long-term planning. We strongly believe that such deployment does not only demonstrate our strong ability of school operation but also steadily enhance the benefits of our brand.

Leveraging on the thorough implementation of high-quality development strategies by the Group over the years, we are pleased to observe significant improvement in both the quality of education and brand influence among schools under the Group. Number of students and average tuition fees have been steadily increasing. During the reporting period, the Group recorded revenue of approximately RMB2,312.0 million, representing a year-on-year increase of 17.2%. Its gross profit rose by 10.4% year-on-year to approximately RMB1,124.1 million. The profit for the year attributable to owners of the Company was approximately RMB714.7 million, representing a year-on-year growth of 15.6%. The number of full-time student enrolments reached 95,630. The long-term trust of Shareholders are foundation of the Group's sustainable development and improvement. In recognition of the Shareholders' long-lasting support, the Board proposed the payment of a final dividend of HK10.0 cents per Share, for the year ended 31 August 2024, to be payable in cash with a scrip alternative, subject to the approval of the shareholders of the Company at the AGM.

At last, on behalf of the Board, I would like to thank students and parents for their trust in Edvantage Group and express my sincere gratitude to all teaching staff and the management and for their hard work and dedication. I would also like to thank our Shareholders and stakeholders for their confidence in and support to the Group. We will continue to firmly adhere to our mission of high-quality school operation and create values for our Shareholders and the society.

Liu Yung Chau
Chairman and Executive Director
Hong Kong, 29 November 2024

Below are the brief profiles of the current Directors and senior management of the Group.

Directors

The Board currently consists of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of appointment as Director/ joining the Company
Executive Directors			
Mr. Liu Yung Chau (廖榕就)	71	Chairman and executive Director	18 October 2018
Ms. Chen Yuan, Rita (陳練瑛)	69	Executive Director	2 January 2019
Ms. Liu Yi Man (廖伊曼)	44	Chief executive officer and executive Director	20 November 2018
Non-executive Director			
Mr. Liu Yung Kan (廖榕根)	64	Non-executive Director	20 November 2018
Independent non-executive Directors			
Mr. Xu Gang (徐剛)	70	Independent non-executive Director	4 July 2019
Mr. O'Yang Wiley (歐陽偉立)	61	Independent non-executive Director	16 February 2022
Mr. Li Jiatong (李加彤)	52	Independent non-executive Director	4 July 2019

Executive Directors

Mr. Liu Yung Chau (廖榕就), aged 71, founded the Group in December 2003 and serves as an executive Director and chairman of the Board.

Mr. Liu has been executive vice-president of the Guangdong Provincial Private Education Association (廣東省民辦教育協會) since June 2009, council member of the Chinese Vocational Education Association (中華職業教育社) since December 2014, vice-president of the Guangdong Association of Management Accountants (廣東省管理會計師協會) since June 2016, and vice-president of the Federation of Hong Kong Guangdong Community Organisations Ltd. (香港廣東社團總會) from July 2017 to July 2023. He was also committee member and standing committee member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會), chief president of the Hong Kong Industrial & Commercial Association Limited, standing committee member of the Guangdong Federation of Industry (廣東省工商業聯合會), vice-chairman of the Guangdong City Federation of Industry (廣東市工商業聯合會), vice-chairman of the Guangdong Chamber of Foreign Investors, chairman of the Zengcheng Federation of Industry (增城市工商業聯合會), and vice-president of the Hong Kong Federation of Guangzhou Associations (香港廣州社團總會).

In addition, Mr. Liu was awarded (i) the World Outstanding Chinese Award (世界傑出華人獎) in May 2010 by the World Chinese Business Investment Foundation (世界華商投資基金會), (ii) the Bronze Bauhinia Star by the Hong Kong government in July 2013, and (iii) the Guangdong Contemporary Private Education Educator Special Contribution Award (廣東當代民辦教育舉辦人突出貢獻獎) in September 2015 jointly by the Guangdong Education Association (廣東教育學會), Institute of China Contemporary Private Education (廣東當代民辦教育管理研究院), Guangdong Education Fund (廣東省教育基金) and Guangdong Education Foundation Tripartite Private Education Award Fund (廣東省教育基金會「三村」民辦教育獎勵基金).

Mr. Liu is a director of Sun City Group, which, together with its affiliates, engages in a wide range of business areas including hotel and tourism, textile and apparel, real estate, and financial investments. Mr. Liu is also a director of BVI Holdco.

Mr. Liu served as an independent non-executive director of CT Environmental Group Limited (a company listed on the Stock Exchange with stock code 1363) from June 2011 to October 2018. Mr. Liu received an Honorary Doctorate of Philosophy from Lansbridge University, Canada in May 2010.

Mr. Liu is spouse of Ms. Chen, father of Ms. Liu Yi Man, and brother of Mr. Liu Yung Kan.

Ms. Chen Yuan, Rita (陳練瑛), aged 69, joined our Group in June 2014 and serves as an executive Director.

Ms. Chen is a director of Sun City Group, which, together with its affiliates, engages in a wide range of business areas including hotel and tourism, textile and apparel, real estate, and financial investments. Sun City Group also indirectly held the majority interest in Huashang College and Huashang Vocational College from 2014 to 2017. Ms. Chen has also been a director of GBCA since its inception in June 2014.

Ms. Chen is spouse of Mr. Liu, mother of Ms. Liu Yi Man, and sister-in-law of Mr. Liu Yung Kan.

Ms. Liu Yi Man (廖伊曼), aged 44, joined the Group in July 2006 and serves as an executive Director and the chief executive officer. She became a director of Huashang College in August 2007, a director of Huashang Vocational College in August 2010, a director of GBCA in June 2014, a director of EIA in February 2017 and a director of EIS in December 2019.

Ms. Liu Yi Man has been vice-president of the Federation of Hong Kong Guangdong Community Organisations Ltd. (香港廣東社團總會) since July 2017, the deputy secretary general of The Y. Elites Association (香港菁英會) since July 2018 and the vice-chairman of it since July 2023. She was also committee member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會), member of the All-China Youth Federation (中華全國青年聯合會), vice-president of the Hong Kong Federation of Guangzhou Associations (香港廣州社團總會) and founding chairman of Greater Bay Youth Career Development Association.

Ms. Liu Yi Man serves as a director of Guangzhou Zengcheng District Top Talent Kindergarten (廣州市增城區保利東江首府拓慧幼兒園), Guangzhou Haizhu District Tianyue Top Talent Kindergarten (廣州市海珠區天悦拓慧幼兒園). She has also served as the director of Top Talent Education (Australia) Pty. Ltd, which operates two kindergartens, namely Little Sunshine Early Learning and Doncaster Early Learning Child Care.

Ms. Liu Yi Man received her bachelor's degree in business administration from The Chinese University of Hong Kong in August 2004, and her master's degree in engineering business management from The University of Warwick, United Kingdom in July 2006.

Ms. Liu Yi Man is daughter of Mr. Liu and Ms. Chen, and niece of Mr. Liu Yung Kan.

Non-executive Director

Mr. Liu Yung Kan (廖榕根), aged 64 and formerly known as Liu Kai Chung (廖啟中), assisted in the development of Huashang College and served as its director from September 2006 to February 2016. He also served as a director of Huashang Vocational College from August 2010 to April 2017, and is a non-executive Director.

Mr. Liu Yung Kan has over 20 years of business experience. He has since August 1998 been a director of Yue Hua Group Company Limited (粵華集團有限公司), since September 2010 been the general manager of Guangzhou Huajiang Enterprise Management Co., Ltd. (廣州市華江企業管理有限公司), and since December 2013 been the general manager of Guangzhou Huahui Investment Co., Ltd. (廣州市華匯投資有限公司), all of which are investment holding companies.

As our non-executive Director, Mr. Liu Yung Kan will participate in the Board meetings to make decisions on important matters of the Group, and he will not be involved in the day-to-day management of the Group.

Mr. Liu Yung Kan is brother of Mr. Liu, brother-in-law of Ms. Chen, and uncle of Ms. Liu Yi Man.

Independent non-executive Directors

Mr. Xu Gang (徐剛), aged 70, serves as an independent non-executive Director, the chairman of the Remuneration Committee and Nomination Committee, and a member of the Audit Committee. Mr. Xu Gang joined the Group in July 2019.

Mr. Xu Gang has over 10 years of experience in numerous leadership positions in state owned enterprises and government organisations, including:

- editor of the China Economic & Trade Herald《經濟工作通訊》at the State Economic and Trade Commission (國家經濟貿易委員會);
- director of the economic bureau (經濟局處長) at the United Front Work Department of CPC Central Committee (中共中央統戰部);
- deputy secretary of the party committee and vice president at China Goods Trade Development Co., Ltd. (中國物資貿易發展總公司); and
- vice president and acting general manager at China Tourism International Trust & Investment Co., Ltd (中國旅遊國際信託投資有限公司).

Mr. Xu Gang is a former chairman of Lianxun Securities Co., Ltd. (聯訊證券股份有限公司) (a company listed on the National Equities Exchange and Quotations of the PRC with stock code 830899). He has been a senior economist accredited by the Appraising and Approval Committee for Professional & Technical Competence since December 1994.

Mr. Xu Gang received his bachelor's degree in industrial economics in February 1983 from Renmin University of China and his master's degree in industrial engineering in December 2001 from the Huazhong University of Science and Technology, China.

Mr. O'Yang Wiley (歐陽偉立), aged 61, serves as an independent non-executive Director, chairman of the Audit Committee, and member of the Remuneration Committee and Nomination Committee. Mr. O'Yang Wiley joined the Group in February 2022.

Mr. O'Yang Wiley has capital market relationship network and experience. Mr. O'Yang also has extensive experience in group restructuring and initial public offerings.

Mr. O'Yang Wiley is a managing director of Shanggu Securities Limited. Prior to joining Shanggu Securities Limited, Mr. O'Yang worked for various investment banks, including CMBC International Holdings Limited, a wholly-owned subsidiary of China Minsheng Banking Corporation Limited (Stock code: 1988), Kim Eng Securities (Hong Kong) Limited, a wholly-owned subsidiary of Malayan Banking Berhad, UBS AG, Hong Kong Branch, J.P. Morgan Securities (Asia Pacific) Limited and BNP Paribas Capital (Asia Pacific) Limited and held the positions of managing director and executive director. Mr. O'Yang has also worked as a solicitor in private practice at a number of solicitors' firms and was a partner of Richards Butler (currently known as Reed Smith Richards Butler), an international law firm.

Mr. O'Yang Wiley has served as an independent non-executive director of Hong Kong Economic Times Holdings Limited (Stock Code: 423) since October 2012, Midea Real Estate Holding Limited (Stock Code: 3990) since its listing in October 2018, D&G Technology Holding Company Limited (Stock Code: 1301) since May 2019, AB Builders Group Limited (Stock Code: 1615) since June 2019 and Tianyun International Holdings Limited (Stock Code: 6836) from November 2019 to 12 May 2022 all of which are companies listed on the Stock Exchange.

Mr. O'Yang Wiley received his bachelor's degree in Social Science from The Chinese University of Hong Kong and his Master of Business Administration Degree (Executive MBA Programme) from The Chinese University of Hong Kong. He is also a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Law Society of Hong Kong.

Mr. Li Jiatong (李加彤), aged 52, serves as an independent non-executive Director, and member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Li Jiatong joined the Group in July 2019.

Mr. Li Jiatong has been an associate director at Manulife Financial Asia Limited since July 2018. He was previously a site reliability engineer for Criteo Inc. from 2016 to 2018, a software architect for Datapop, Inc. from 2009 to 2016, an engineer for Yahoo! Asia Holdings Limited from 2005 to 2009, and a software engineer and research and development regional expert for Comverse Network Systems from 1997 to 2005. He has experience in cloud computing, software development, computer programming, mobile application development, and web service development.

Mr. Li Jiatong received his bachelor's degree in June 1997 and master's degree in September 1999, both in computer science, from Northeastern University, USA.

Senior Management

Ms. Liu Yi Man (廖伊曼) is the chief executive officer of the Company. See the paragraphs headed "Directors — Executive Directors" for her biography.

Ms. Liu Wenqi (劉文琦), aged 52, has been the chief operating officer of the Company since January 2017, having originally joined the Group as the chief financial officer of the Company in April 2010.

Ms. Liu Wenqi has been an accountant accredited by MOF since May 2006, an auditor accredited by the Audit Commission of China (中華人民共和國審計署) since October 2007, a non-practicing member of the Guangdong Certified Tax Advisor Association (廣東省註冊稅務師協會) since March 2010, and a senior accountant with the Human Resources and Social Security Department of Guangzhou (廣州市人力資源和社會保障局) since March 2017.

Ms. Liu Wenqi received her bachelor's degree in accounting from Zhengzhou University, China in June 2012 and her master's degree in CFO leadership from Singapore Management University in May 2017.

Mr. Liu Yuk Tung (廖旭東), aged 61, has been appointed as the chief financial officer of the Company since 14 July 2023.

Prior to joining the Company, he was the chief financial officer and a senior vice president of the business strategy of TCL Communication Technology Holdings Limited (a company whose shares were previously listed on the Main Board of the Stock Exchange during September 2004 to September 2016, then stock code: 2618), the Asia Pacific regional financial controller of Stratus Corporation in the United States of America, sales and marketing director and general manager of Neo-Neon Holdings Limited (a company whose shares are listed on the Main Board of the Stock Exchange, stock code: 1868), with extensive auditing experience from working at Arthur Andersen. He is also a Certified Public Accountant of the Hong Kong Institute of Certified Public Accounts, Chartered Accountant of Institute of Chartered Accountants in England and Wales and fellow of the Association of Chartered Certified Accountants. Mr. Liu holds a bachelor's degree in Economics from the University of Hong Kong, a Master of Business Administration degree from the University of New South Wales, Australia and a master's degree in Accounting from Jinan University, the People's Republic of China.

Market Overview

The Group is the largest private business higher and vocational education group in the Greater Bay Area, and an early pioneer in the education sector to pursue international expansion. All of the Group's businesses in the PRC are vocational education strongly supported by the PRC, covering two major areas, namely formal vocational education and non-formal vocational education.

After years of sound operation, the Group is operating nine schools at home and abroad, namely Huashang College, Huashang Vocational College and Huashang Technical School in Guangdong Province, the PRC; Urban Vocational College and Urban Technician College in Sichuan Province, the PRC; GBA Business School Limited ("**GBABS**") in Hong Kong, the PRC; GBCA and EIA in Melbourne, Australia; as well as EIS in the downtown of Singapore.

Guangzhou Huashang College – Zhaoqing campus

Guangzhou Huashang Vocational College – Xinhui campus

Urban Technician College

Urban Vocational College – Library

Over the past year, China has introduced a series of favourable policies to encourage the integration of industry and education in vocational education and continued to support the development of vocational education, which has greatly promoted the improvement of the vocational education system and brought unprecedented development opportunities for private higher and vocational education groups like the Group. In January 2024, the National Education Work Conference established "enhancing the adaptability and attractiveness of vocational education" as one of its key tasks. In March 2024, the Government Work Report of the Two Sessions mentioned "vigorously improving the quality of vocational education". Meanwhile, during the Two Sessions, General Secretary Xi Jinping emphasised that "We must tangibly improve our vocational education, establish the spirit of craftsmanship, and cultivate front-line craftsmen of great powers in batches". In August 2024, the "Opinions on Promoting the High-Quality Development of Service Consumption" of the State Council proposed "promoting the improvement of quality and efficiency of vocational education, building high-standard vocational schools and majors" and "encouraging high-standard cooperation with internationally renowned institutions of higher education in China". In October 2024, the "Opinions on Deepening the Reform in Building the Teams of Industrial Workers" of the State Council reaffirmed the importance of promoting in-depth integration of vocational education and industrial development, and called for "accelerating the construction of a vocational education system that integrates vocational education and general education, as well as industry and education, while insisting on facilitating industry with education, integration of industry and education and cooperation of industry and education" and "improving school management and education capability, in order to establish a batch of vocational schools with higher international standard".

A new wave of global technological revolution and industrial reform is undergoing at a faster pace. Cultivating more high-quality talents with technical skills and consolidating the modern industrial system is an inevitable choice for vocational education providers to better serve national strategies. In the face of unprecedented development opportunities in this era, the multi-level vocational education business of the Group will shoulder the mission of nurturing high-quality skilled talents in various industries, providing them with a bright and promising future. As always, the Group has been keeping abreast of national policies, adhering to the strategy of high-quality development and talent strategy, promoting the integration of industry and education, deepening the content of international education, optimising the organisational structure to continuously improve operational and management efficiency, and comprehensively improving the training quality for application-oriented talents, so as to drive the high-quality and sustainable development of our business.

Business Update

Deepening the integration of industry and education in line with industry trend and striving to cultivate application-oriented talents

In March 2024, the Government Work Report proposed "striving to modernise the industrial system and developing new quality productive forces at a faster pace". Not only does the formation of new quality productive forces require scarce technological talents with higher qualification, technical proficiency and advanced technological knowledge, it also needs a large amount of high-level technical talents. During the reporting period, the Group proactively responded to national policies and established a precise direction for vocational education reforms, entering into school-enterprise cooperation with 1,320 enterprises to build off-campus practice bases and promote the in-depth integration of education chains and industrial chains, which would meet the demand for talents in emerging industries and upcoming innovative industries. Meanwhile, the Group closely followed the national development strategies for key industries and actively built industrial colleges in accordance with the requirements for the construction of modern industrial colleges from the Ministry of Education. We cooperated with multiple enterprises renowned in their respective industries to establish digital trade, artificial intelligence and big data, research and tourism, digitalised accounting and business service, jewelry, human resources and other industrial colleges, and further explored the concept of "collaborative education between schools and enterprises" to achieve sharing of talents, technologies and resources, strengthen the integration of industrial demand and talent cultivation and improve the training quality of employment and application-oriented talents.

Further expanding exchange and cooperation of international education to cultivate innovative talents with global vision

On the National Education Conference 2024, General Secretary Xi Jinping emphasised that "We have to promote the opening up of education to foreign countries and organise introduction of foreign schools and international expansion of domestic schools, in order to further raise the international influence, competitiveness and bargaining power of the education industry of China. By expanding international academic exchanges and educational and research cooperation, we can actively participate in global education governance and contribute China's strength to the development of global education". Internationalised education has always been one of the Group's school-running characteristics. Since its inception, the schools under the Group have been promoting the internationalisation of education and expanding the partnership network with global renowned universities to achieve sharing of international education resources, in order to further raise the international influence of China's vocational education. During the reporting period, the schools under the Group established in-depth cooperation with 51 foreign high schools in the United States of America, the United Kingdom, Canada, Japan and Australia, joining hands to bring diverse high-quality international programmes for students. Furthermore, the Group has been developing new education methods and comprehensively launching international study tours. During the reporting period, we organised 65 student and teacher study tours to France, Singapore, Hong Kong, China, Macau, China and other regions for short-term studies, with over 4,000 teachers and students participating. Through study tours featuring education, cultural exploration, company tours and personal growth, we can further expand the international vision of students and enrich their learning experience. The Group will leverage on its edge on international education to further promote the exchange and cooperation between foreign and domestic schools and provide high-quality international programs and practice opportunities, in order to cultivate innovative talents with global vision.

Proactively undertaking social responsibilities to promote ESG practices

As China's economy transitions from a stage of rapid growth to one of high-quality development, the importance of ESG is becoming increasingly prominent. Since its establishment, the Group has been actively fulfilling its corporate social responsibilities, participating in social charity through various channels and forms like rural revitalisation and poverty alleviation through education, donation and teenage social work, so as to promote social harmony and advancement and sustainable development through action. During the reporting period, we subsidised over 29,000 underprivileged students, with the subsidy amounting to over RMB30.0 million and related donation amounting to HK$200,000. The Group places much emphasis on developing ESG talents. During the reporting period, we organised 5 seminars related to ESG. In line with the trend of industry development and demand of the employment market, we have innovatively held an "ESG Reporting and Disclosure" workshop to enhance the ESG knowledge and capability of teachers and students of the Group's institutions, so as to contribute to the sustainable development of enterprises and the society in the future. The ESG practices of the Group are widely recognised by and earn accolades of various stakeholders of society. During the reporting period, we were awarded the "ESG Pioneer of the Year 2023" under the 5th Jinge Award for the Best Companies of the Year of Gelonghui, the "Best ESG Innovation Award" under the 8th Zhitong Finance Listed Company Selection of 2023 and the "Outstanding Enterprise for ESG Innovative Practice" under the ESG Enterprise and Institution Selection 2024 of Gelonghui. In the future, the Group will continue to innovate and play a leading role to make more contribution to the construction of a harmonious society.

Further increase investment in education to establish a high-quality education brand

Increasing investment in education is an important path towards high-quality education. Huashang College will undergo undergraduate teaching qualification assessment in the second half of 2026. This is a comprehensive assessment for the education direction and orientation, education results and talent cultivation quality of the school. In order to promote the high quality development of our education operation and to meet the qualification assessment of the education of Huashang College, the Group has made precise investment in the campus environment, facilities and equipment and teaching staff, and has continuously enriched our school operation, so as to enhance the quality of our education and the standard of our school operation. During the reporting period, we further expanded the new campuses of Huashang College and Huashang Vocational College, which include student dormitory, library, sports activity centre, teaching buildings and laboratories. Continued growth of potential students for higher and vocational colleges is expected to become the main driver for future growth of enrolled students of the Group. Such investments will stimulate future student enrolment of the Group. Since its establishment, the Group has adhered to its strategy of "talents empowering schools". We have been increasing our investments in the construction of our teaching team, achieving various results during the reporting period. Huashang Vocational College was approved to set up the Doctoral Workstation of Guangdong Province, and was the only private college approved to set up the Doctoral Workstation of Guangdong Province in 2024. Professor Wang Shunli, the Honorary Dean of the College of Information Technology of Urban Vocational College, was once again selected as one of the 2024 Top 2% Scientists in the World. Through "School Improvement Project with High-quality Teaching Team" and "Double Hundred Project", the schools under the Group have been increasing their effort in introducing outstanding young teachers and doctors and improving the construction and cultivation of our teaching team, in order to raise the cultivation quality of application-oriented talents. The benefits of a high-quality education brand have become more significant, with enrolment increasing every year. As of August 2024, the number of full-time student enrolments was approximately 96,000, representing a year-on-year increase of approximately 11.0%, of which the number of full-time student enrolments of higher education was approximately 77,360, representing a year-on-year increase of approximately 16.3%.

Number of Student Enrolments

The table below sets out the number of student enrolments in the Group's schools for the years ended 31 August 2024 and 2023:

Number of Student Enrolments (approximately)	For the year ended 31 August 2024	2023
Higher Formal Vocational Education		
Huashang College	**31,990**	29,300
Huashang Vocational College	**21,810**	18,500
Urban Vocational College	**21,800**	16,900
Schools outside mainland China[1]	**1,760**	1,800
Secondary Formal Vocational Education		
Urban Technician College	**11,170**	13,100
Huashang Technical School	**7,100**	6,500

Note 1: Schools outside mainland China include GBCA, EIA, EIS and GBABS.

Range of Tuition Fees and Boarding Fees

The table below sets forth the range of tuition fees and boarding fees charged by the Group's schools to each student for the 2023/2024 and 2022/2023 school years:

	2023/2024 school year *RMB*	2022/2023 school year *RMB*	**2023/2024 school year** *RMB*	2022/2023 school year *RMB*
	Range of tuition fees		**Range of boarding fees**	
Higher Formal Vocational Education				
Huashang College				
Regular undergraduate programmes	**28,000–48,000**	28,000–48,000	**2,000–4,800**	2,000–4,800
Upgrading programmes	**28,000–39,000**	28,000–38,000	**2,000–4,800**	2,000–4,800
Huashang Vocational College				
Regular junior college programmes	**18,500–30,800**	17,500–30,800	**1,800–4,980**	1,800–4,980
Urban Vocational College				
Regular junior college programmes	**9,800–34,000**	9,800–34,000	**1,200–3,300**	1,200–3,300
Overseas Schools[1]	**AUD3,800–25,000**	AUD3,500–26,000	**N/A**	N/A
Secondary Formal Vocational Education				
Urban Technician College				
Secondary vocational education diploma programmes	**9,800**	9,800	**1,200–2,000**	1,200–2,000
Huashang Technical School				
Secondary vocational education diploma programmes	**11,500–33,500**	8,800–13,000	**1,800–4,800**	2,000–3,000

Note 1: As the Group's overseas schools do not provide accommodation for their students, only the range of tuition fees for the educational services provided by them are presented.

Future Development

Skilled talents are indispensable for the formation of new quality productive forces. Against the backdrop of rapid industrial iteration, the Group will focus on new trends in industrial development and optimise its professional layout in time to adapt to industrial reforms. At the same time, the Group will closely monitor and meet the needs of the talent market, strengthen industrial research, and form a regional industrial development blueprint to provide a basis for dynamic adjustment of majors. According to the requirements of developing new quality productive forces, new majors will be established in a timely manner, while traditional majors will be upgraded and reformed. Talent cultivation programmes will be adjusted in response to the trend of industrial upgrade, so as to actively promote the improvement of majors to become more innovative, efficient and environmental-friendly.

Over the past year, we also witnessed the groundbreaking development of the new generation of artificial intelligence technology, which brought new development opportunities for the Group. Looking forward, we will actively explore the use of artificial intelligence technology in education, so as to create innovative education models and improve operating efficiency. Meanwhile, we will continue to leverage on the Group's edge on education accumulated over the years. Adhering to the strategy of high-quality development and talent development and based on the construction of Chinese-style modernisation, we will increase our investment in teaching and campus hardware, promote the integration of industry and education, deepen exchanges and cooperation with global renowned colleges and universities, provide students with educational resources on par with international standards, and connect them with richer employment opportunities and entrepreneurial platforms, so as to provide a large number of innovation-oriented and inter-disciplinary skillful application-oriented talents with an international perspective for the construction of the China's modernisation and promote the sustainable development of vocational education.

Revenue

The Group's revenue mainly represents income derived from tuition fees and boarding fees for the education services provided in the normal course of business at its schools in and outside China, and non-formal vocational education service fees at its schools in the PRC. For the year ended 31 August 2024, the Group' revenue was approximately RMB2,312.0 million, representing an increase of 17.2% as compared with the corresponding period of preceding year, which was mainly attributable to increase in number of students enrolled and average tuition fees from the schools in PRC.

Cost of Revenue

Cost of revenue consists primarily of staff costs, education expenses, depreciation, property management expenses and others. For the year ended 31 August 2024, the Group's cost of revenue amounted to approximately RMB1,187.8 million, representing an increase of 24.4% as compared with the corresponding period of the preceding year.

Gross Profit and Gross Profit Margin

For the year ended 31 August 2024, the Group recorded a gross profit of approximately RMB1,124.1 million, representing an increase of 10.4% as compared with the corresponding period of the preceding year. The growth was mainly attributable to the increase in number of student enrolments and average tuition fees. For the year ended 31 August 2024, the Group achieved a gross profit margin of 48.6%, representing a slight drop by 3.0 percentage points as compared with the corresponding period of the preceding year as the Group intends to continue improving the connotation construction of the schools and promote the high quality development of the schools, thus it was expected that the investment in teachers and students would be increasing.

Other Income

Other income consists primarily of management fee and rental income, government grants, school ancillary, system maintenance and other service income and others. For the year ended 31 August 2024, the Group recorded other income of approximately RMB130.1 million, representing an increase of 23.9% as compared with the corresponding period of last year. It was mainly attributable to the increase in the education consultation services and management services provided during the year ended 31 August 2024 for approximately RMB16.3 million.

Interest Income

For the year ended 31 August 2024, the Group recorded approximately RMB25.8 million from interest income, representing an increase of 89.9% as compared with the corresponding period of last year. It was mainly attributable to the increase of bank interest income from short-term deposits during the reporting period.

Other Gains and Losses

Other gains and losses consist primarily of fair value change on financial assets at fair value through profit or loss ("**FVTPL**"), impairment loss recognised on trade and other receivables, recovery of trade receivables previously written-off, net foreign exchange gain or loss and fair value change of investment properties. For the year ended 31 August 2024, the Group's other gains and losses were recorded at net loss of approximately RMB24.9 million, which was mainly attributable impairment losses under ECL model, net of reversal, of approximately RMB13.0 million and revaluation loss on of investment properties of approximately RMB15.9 million.

Selling and Administrative Expenses

The Group's selling expenses consist of advertising expenses, recruiting expenses and salary expenses. For the year ended 31 August 2024, the Group's selling expenses amounted to approximately RMB56.4 million, representing about 2.4% of the revenue for the year ended 31 August 2024, representing a decrease as compared to that of 2.8% for the year ended 31 August 2023.

The Group's administrative expenses primarily consist of administrative payroll, repair, maintenance and property management expenses, professional consulting fees, office expenses, depreciation, business development related expenses, other tax expenses and others. For the year ended 31 August 2024, the Group's administrative expenses amounted to approximately RMB357.4 million, representing an increase of 21.4% as compared with the corresponding period of the preceding year. It was mainly attributable to the increases in administrative payroll in connection with the engagement of additional administrative staff and senior management personnel by members of the Group and increases in repair, maintenance and property management expenses.

Finance Costs

The Group's finance costs include any costs incurred by interest expenses on bank and other borrowings (after deducting amounts capitalised in the cost of property, plant and equipment). For the year ended 31 August 2024, the Group recorded finance costs of approximately RMB32.2 million, representing an increase of 22.6% as compared with the corresponding period of the preceding year, as less portion of the interest expenses capitalised. The decrease in the interest expenses capitalisation was mainly due to the completion of some campuses constructions.

Profit Before Taxation

For the year ended 31 August 2024, the Group recorded a profit before taxation of approximately RMB809.0 million, representing an increase of 12.4% as compared with the corresponding period of the preceding year.

Taxation

For the year ended 31 August 2024, the Group recorded approximately RMB4.9 million in taxation, representing a increase of 295.5% as compared with the corresponding period of the preceding year. As of 31 August 2024, the Group did not have any taxation related disputes with any authorities, or any other unresolved taxation issues.

Non-IFRSs measure — Adjusted net profit attributable to owners of the Company

To supplement the Group's consolidated results prepared and presented in accordance with IFRSs, the Group uses adjusted net profit attributable to owners of the Company as an additional financial measure.

Adjusted net profit attributable to owners of the Company is determined by adjusting profit for the year for the effect of net foreign exchange gain or loss, share-based payments, fair value change on investment properties, non-cash impairment loss recognised under ECL model, and profit for the year attributable to non-controlling interests (if any). For the year ended 31 August 2024, the Group's adjusted net profit attributable to owners of the Company amounted to approximately RMB746.7 million, representing an increase of 11.8% as compared with the corresponding period of the preceding year.

	For the year ended 31 August	
	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**804,121**	718,802
Adjustments for:		
Fair value change on investment properties	**15,900**	29,131
Non-cash impairment loss recognised under ECL model	**12,995**	8,512
Net foreign exchange (gain) loss	**(401)**	5,513
Share-based payments	**3,468**	6,299
	31,962	49,455
Adjusted net profit	**836,083**	768,257
Less: profit for the year attributable to non-controlling interests	**(89,375)**	(100,432)
Adjusted net profit attributable to owners of the Company	**746,708**	667,825

Whilst adjusted net profit attributable to owners of the Company is not required by or presented in accordance with IFRSs, the management of the Company believes that such non-IFRSs financial measure provides useful supplementary information to investors in assessing the results of the Group's core businesses by excluding the impact of certain fair value change on investment properties, non-cash impairment loss recognised under ECL model, foreign exchange loss and share-based payments. However, such unaudited non-IFRSs financial measure should be regarded as supplement to, and not substitute for, the Group's financial results prepared in accordance with IFRSs. In addition, the definition of such non-IFRSs financial measure does not have a standardised meaning prescribed by IFRSs and therefore may not be comparable to similar measures presented by other companies, and may differ from similar terminology used by other companies. Accordingly, the use of such non-IFRSs measure has limitation as an analytical tool, and investors should not consider it in isolation form, or as a substitute for analysis of our results of operations or financial conditions as reported under IFRSs.

Property, Plant and Equipment

As of 31 August 2024, the Group's property, plant and equipment amounted to approximately RMB5,262.7 million, representing an increase of approximately 6.8% as compared with 31 August 2023. Such an increase was mainly attributable to (i) the construction of a new campus for Huashang Vocational College at Xinhui District, Jiangmen City, Guangdong Province, (ii) the construction of teaching facilities of Huashang College at Sihui District and Zengcheng District, Guangdong Province; and (iii) the construction of teaching facilities in Meishan, Sichuan Province.

Teaching and administrative building area to number of students ratio and site area to number of students ratio

Reference is made to the section titled "Regulatory requirements relating to the ratio of school site area/building area to the number of students" in the Prospectus and there has been no substantive update since the position as of February 2019 as disclosed in the Prospectus. The relevant ratios for Huashang College and Huashang Vocational College for the school year 2023/2024 respectively are as below:

	As at 31 August 2024
Teaching and administrative building area to number of students	
Huashang College	**10.6**
Huashang Vocational College	**13.2**
Site area to number of students	
Huashang College	**25.7**
Huashang Vocational College	**27.2**

None of the Group's schools has received any yellow or red card from, or has been subject to any form of administrative penalty by competent education authorities in relation to its compliance with the teaching and administrative building area to number of students ratio and site area to number of students ratio.

Capital Expenditures

For the year ended 31 August 2024, the Group recorded approximately RMB390.1 million in capital expenditures, representing a decrease of 40.1% as compared with the corresponding period of preceding year. The capital expenditures were mainly utilised for (i) the construction of the new Xinhui Campuses for Huashang Vocational College, (ii) construction of new teaching facilities on the Huashang College Sihui Campus and the new conference centre, sports activity centre and experimental practice building on Guangzhou Campus and (iii) construction of new teaching facilities on Meishan Campus of Urban Vocational College and enhancement of the existing teaching facilities.

Significant Investments

Financial Assets at FVTPL

As at 31 August 2024, the Group's financial assets at FVTPL amounted to approximately RMB213.7 million (2023: RMB12.4 million), being structured deposits issued by banks and financial institutions in the PRC. The increase was mainly attributable to the addition net off by the redemption during the reporting period. For the year ended 31 August 2024, the Group recorded a fair value change on financial assets at FVTPL of approximately RMB1.3 million (2023: RMB4.1 million).

For the year ended 31 August 2024, no single investment in such structured deposits of the Group accounted for more than 5% of the total assets of the Group.

Save as disclosed above, there was no significant investment held by the Group during the reporting period.

Bank Balances and Cash

As at 31 August 2024, the Group's bank balances and cash was approximately RMB2,122.1 million, representing an increase of 6.0% as compared with 31 August 2023.

Liquidity, Financial Resources and Gearing Ratio

As at 31 August 2024, the Group had liquid funds (representing bank balances and cash and structured deposits recognised in financial assets at FVTPL) of approximately RMB2,335.8 million (2023: RMB2,015.2 million) and bank and other borrowings of approximately RMB1,672.2 million (2023: RMB1,815.5 million).

As at 31 August 2024, the gearing ratio (calculated based on the total amount of bank and other borrowings divided by the total equity of the Group) was 34.5% (31 August 2023: 42.9%) and the debt to asset ratio (calculated based on the total amount of bank and other borrowings divided by the total assets of the Group) was 18.4% (31 August 2023: 21.4%).

Foreign Exchange Risk Management

For the Group's operation in the PRC, the major revenue and expenses are denominated in RMB, while there are certain monetary assets and monetary liabilities that are denominated in Hong Kong dollars, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises. For the Group's operations outside the PRC, the major revenue and expenses are denominated in local currencies.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the reporting period.

Charges on the Group's Assets

As at 31 August 2024, the Group's bank and other borrowings had been secured by the equity interests of a subsidiary, certain deposits of the Group and the rights to receive the tuition fees and boarding fees of each of Huashang College, Huashang Vocational College and Urban Vocational College; also, details of the Group's secured bank and other borrowings are set out in note 26 to the consolidated financial statements contained herein. Save as disclosed above, there was no other material charge on the Group's assets as at 31 August 2024.

Contingent Liabilities

As at 31 August 2024, the Group had no significant contingent liabilities.

Human Resources

As of 31 August 2024, the Group had approximately 8,200 employees. The Group offers competitive remuneration packages to the employees, which are determined in accordance with the relevant laws and regulations of the local jurisdictions where the Group operates and the individual qualification, experience and performance of the relevant employees, as well as the prevailing salary levels in the market. In addition, the Group provides other comprehensive fringe benefits to the employees, including social insurance and mandatory provident funds in accordance with applicable laws and regulations. For the year ended 31 August 2024, the staff costs (including Directors' remuneration) of the Group were approximately RMB803.1 million.

Moreover, the Company has adopted the 2024 Share Option Scheme and 2024 Share Award Scheme on 19 January 2024. Please refer to the circular of the Company dated 4 January 2024 for details of the aforementioned share schemes.

Besides, the Group provides relevant training programs for employees based on their respective personal career developments.

Disclosure under Rule 13.18 of the Listing Rules

On 29 January 2024, a wholly-owned subsidiary of the Company as borrower ("**Borrower**") entered into a loan agreement ("**Loan Agreement**") with International Finance Corporation, a member of the World Bank Group, as lender ("**Lender**") for a loan with a principal amount of RMB equivalent of USD100,000,000 with a final maturity date on 15 June 2031 ("**Loan**").

Pursuant to the Loan Agreement, the Lender may demand mandatory prepayment of the entirety of the then outstanding amount of the Loan upon occurrence of any of the following events:

1. Mr. Liu and Ms. Chen at any time and for any reason failing to own at least 51% of both the economic and voting interests in the Company's share capital (determined on a fully diluted basis); and

2. Any person or group other than Mr. Liu and Ms. Chen having obtained the power (whether or not exercised) to elect a majority of the board of directors of the Company or the Borrower.

Upon occurrence of any of the above events, the Lender may issue a demand to the Borrower. Immediately upon receiving such demand, unless otherwise agreed in writing by the Lender, the Borrower shall prepay the then outstanding principal amount of the Loan, together with accrued interest, and all other amounts payable under the Loan Agreement.

As of the date of entering into of the Loan Agreement and the date of this annual report, (i) Mr. Liu and Ms. Chen collectively directly and indirectly through their controlled corporation own not less than 70% (excluding share options and unvested awarded shares in which they are interested or deemed to be interested) of the economic and voting interests in the Company's issued share capital; and (ii) no person or group other than Mr. Liu and Ms. Chen has obtained the power (whether or not exercised) to elect a majority of the board of directors of the Company nor the Borrower.

Future Plans on Material Investments or Capital Assets

Save as disclosed in this annual report, the Group does not have any current concrete plan for material investments or capital assets.

Teacher-to-student ratio

Reference is made to the section titled "Regulatory requirements relating to the teacher-to-student ratio" in the Prospectus and there has been no substantive update since the position as of February 2019 as disclosed in the Prospectus. For the year ended 31 August 2024, the teacher-to-student ratios of Huashang College and Huashang Vocational College for the school year 2023/2024 both meet the standard compliance threshold of the basic school operating condition indicators of a higher education institution; and accordingly, none of the Group's schools in China has received any yellow or red card from, or has been subject to any form of administrative penalty by competent education authorities in relation to its compliance with the teacher-to-student ratio.

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 August 2024.

• CORPORATE GOVERNANCE PRACTICES

The Shares have been listed on the Stock Exchange since 16 July 2019. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code. During the financial year ended 31 August 2024 and up to the date of this annual report, the Company has fully complied with the code provisions set out in Part 2 of the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

• THE BOARD

(1) Responsibilities

The Board is accountable to Shareholders for the long-term performance of the Company and is responsible for the overall leadership of the Group. The Board oversees the Group's strategic decisions and monitors business and performance of the Group. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they perform their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

(2) Directors' and Senior Management's Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

(3) Board Composition

As at the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

Mr. Liu Yung Chau *(Chairman)*
Ms. Chen Yuan, Rita
Ms. Liu Yi Man *(Chief Executive Officer)*

Non-executive Director

Mr. Liu Yung Kan

Independent non-executive Directors

Mr. Xu Gang
Mr. O'Yang Wiley
Mr. Li Jiatong

Mr. Liu and Ms. Chen are spouses, Ms. Liu Yi Man is a daughter of Mr. Liu and Ms. Chan.

Mr. Liu Yung Kan is a brother of Mr. Liu, brother-in-law of Ms. Chen, and uncle of Ms. Liu Yi Man.

Save as disclosed above, there is no other relationship (including financial, business, family or other material/relevant relationship(s)) among the Board members.

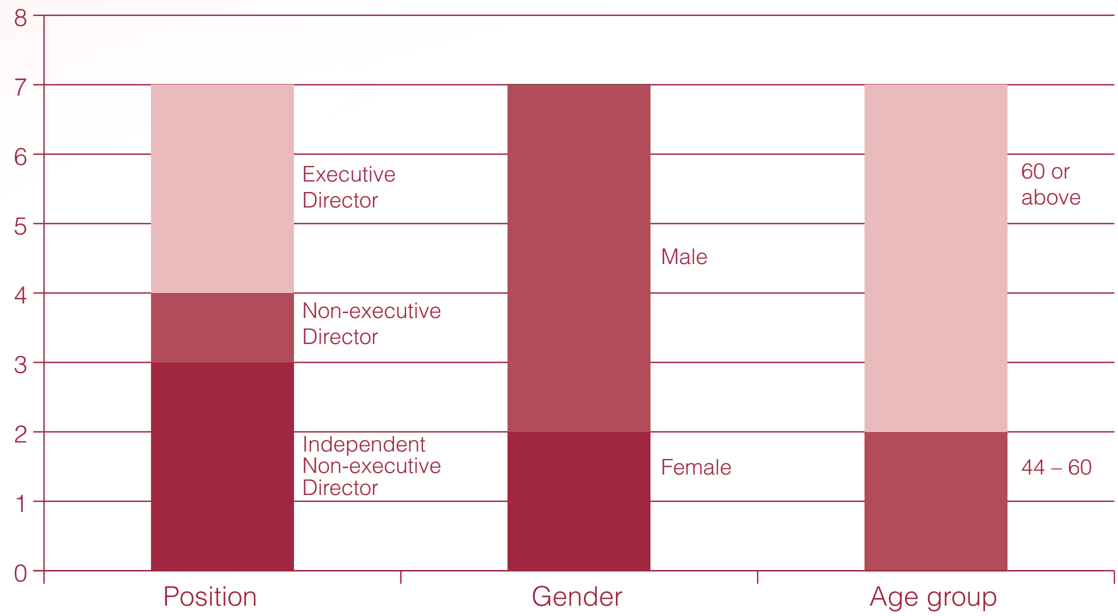
During the financial year ended 31 August 2024 and up to the date of this annual report, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10(A) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the number of independent non-executive Directors represents at least one-third of the Board. Among the three independent non-executive Directors, Mr. O'Yang Wiley has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

(4) Board Diversity Policy

Pursuant to Rule 13.92 of the Listing Rules, the Nomination Committee (or the Board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report. The policy specifies that in designing the composition the Board, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. The appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills.

The composition of the Board will be disclosed in the Corporate Governance Report every year and the Nomination Committee will supervise the implementation of this policy. The Nomination Committee will review the effectiveness of this policy, as appropriate, discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at the date of this annual report, the diversity of the Board is illustrated as follows. Further details on the biographies and experience of the Directors are set out on pages 15 to 18 of this annual report.



The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation. To achieve diversity of Board members, the Company has adopted the "Board Diversity Policy" and the "Nomination Policy" which ensure that any potential successors to the Board will help enhance Board diversity, including but not limited to gender diversification.

(5) Measurable Objectives

The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. Details on the gender ratio of the Group together with relevant data can be found in the ESG Report of the Company for the year ended 31 August 2024 which will be published on 31 December 2024. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. In particular, the Nomination Committee will identify and make recommendations to the Board to implement programmes that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, will prepare them for Board positions. At present, the Board has not set any measurable objectives.

The Company's existing composition of Board and senior management are highly diverse in terms of gender, age, cultural and educational background, knowledge and professional experience. It reflects an appropriate mix of skills and experience that are relevant to the Group's strategy and business.

(6) Confirmation of Independence by the Independent Non-executive Directors

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules.

Except that Mr. Liu (an executive Director) and Ms. Chen (an executive Director) are spouses, Ms. Liu Yi Man (an executive Director) is a daughter of Mr. Liu and Ms. Chen, and Mr. Liu Yung Kan (a non-executive Director) is a brother of Mr. Liu, brother-in-law of Ms. Chen, and uncle of Ms. Liu Yi Man, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship), with any other Director.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their respective identity of the public companies or organisations and the time involved to the issuer, all of the Directors have agreed to disclose, and already disclosed their commitments to the Company in a timely manner.

(7) Induction and Continuous Professional Development

Pursuant to the code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Pursuant to the code provision C.1.1 of the CG Code, each newly appointed Director should receive a comprehensive, formal and tailored induction on appointment, and subsequently he/she should receive any briefing and professional development necessary to ensure that he/she has a proper understanding of the Company's operations and businesses and is fully aware of his/her responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the issuer's business and governance policies. During the financial year ended 31 August 2024 and up to the date of this annual report, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

The Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities through various Board meetings, resolutions, memoranda and Board papers. According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the Code on continuous professional development during the period from 1 September 2023 to 31 August 2024:

Directors	Read materials	Attend seminars/ briefings
Executive Directors		
Liu Yung Chau	√	√
Chen Yuan, Rita	√	√
Liu Yi Man	√	√
Non-executive Directors		
Liu Yung Kan	√	√
Independent Non-executive Directors		
Xu Gang	√	√
O'Yang Wiley	√	√
Li Jiatong	√	√

(8) Chairman and Chief Executive Officer

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organisation structure of the Company, Mr. Liu is the chairman of the Board and Ms. Liu Yi Man is the chief executive officer of the Company.

The Board and the senior management, which comprises experienced and high calibre individuals, can ensure balance of power and authority. As at the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors.

(9) Appointment and Re-Election of Directors

Mr. Liu Yung Kan, being the non-executive Director, has entered into a service contract with the Company for an initial term of three years commencing from the date of his appointment as a non-executive Director. The initial term of his service contract shall commence from the date of his appointment as a non-executive Director and continue for a period of three years or until the third annual general meeting of the Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

Each of Mr. Xu Gang and Mr. Li Jiatong, being the independent non-executive Directors, has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of their appointment as the independent non-executive Directors or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, and Mr. O'Yang Wiley, being an independent non-executive Director, has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of his appointment as an independent non-executive Director (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and making recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman of the Board and the chief executive officer of the Company.

(10) Board Meetings and Committee Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Both the Nomination Committee and the Remuneration Committee shall meet at least once every year and the Audit Committee shall meet at least twice a year. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the committee members prior to the meeting. Minutes of meetings are kept by the Company Secretary with copies circulated to relevant Board or committee for comments and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant Board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

The chairman of the Board also held a meeting on 29 November 2024 with all independent non-executive Directors without the presence of other Directors.

During the year ended 31 August 2024, the Board held four regular meetings at about quarterly intervals. As regards general meetings, the Company held an annual general meeting on 19 January 2024 and an extraordinary general meeting on 19 January 2024. A table summarising the Directors' participation at the various Board meetings and committee meetings and the Company's general meetings is set out below:

Meetings held during the year ended 31 August 2024

	Regular Board Meetings	Additional Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	General Meetings
Executive Directors						
Liu Yung Chau	4/4	2/3	N/A	N/A	N/A	2/2
Chen Yuan, Rita	4/4	1/3	N/A	N/A	N/A	2/2
Liu Yi Man	4/4	2/3	N/A	N/A	N/A	2/2
Non-Executive Directors						
Liu Yung Kan	4/4	1/3	N/A	N/A	N/A	2/2
Independent non-executive Directors						
Xu Gang	4/4	2/3	2/2	3/3	1/1	2/2
Li Jiatong	4/4	2/3	2/2	3/3	1/1	2/2
O'Yang Wiley	4/4	2/3	2/2	3/3	1/1	2/2

The Board and each Director, upon reasonable request, have access to independent professional advice to assist them in performing their duties to the Company, at the Company's expense. When needed and upon making request to the Board, Directors may obtain independent professional advice at the Company's expense in carrying out their duties.

According to the current Board practice, any transaction, which involves a conflict of interests between a substantial Shareholder or a Director and the Company, will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the independent non-executive Directors who have no material interest in the said transaction. Directors will be required to abstain from voting and will not be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

The Company has maintained appropriate insurance cover in respect of legal action against its Directors and officers arising out of corporate activities.

After the reporting period, three Board meetings were held on 30 September 2024, 28 October 2024 and 29 November 2024 and the attendance record of the Board members is set out in the table below:

Directors	Attended/Eligible to attend
Mr. Liu Yung Chau	3/3
Ms. Chen Yuan, Rita	3/3
Ms. Liu Yi Man	3/3
Mr. Liu Yung Kan	3/3
Mr. Xu Gang	3/3
Mr. O'Yang Wiley	3/3
Mr. Li Jiatong	3/3

(11) Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code during the financial year ended 31 August 2024 and up to the date of this annual report.

(12) Delegation by the Board

All major matters of the Company are required to be considered and (if thought fit) approved by the Board, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors may seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs. Approval has to be obtained from the Board prior to any significant transactions entered into by the management on the Company's behalf.

(13) Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and has delegated the corporate governance duties to the Audit Committee which include:

(a) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Group;

(c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Group; and

(e) to review the Group's compliance with the CG Code from time to time adopted by the Group and the disclosure in the Corporate Governance Report to be contained in the Company's annual reports.

• BOARD COMMITTEES

(1) Nomination Committee

As at the date of this annual report, the Nomination Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. Xu Gang, Mr. O'Yang Wiley and Mr. Li Jiatong. Mr. Xu Gang is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include the followings:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- To develop the criteria for identifying and assessing the qualification of and evaluating candidates for directorship;
- To identify individuals who are suitably qualified to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the independence of independent non-executive Directors;
- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company; and
- To develop a policy concerning diversity of Board members, and disclose the policy or a summary of the policy in the corporate governance report.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

Their written terms of reference are available on the respective websites of the Stock Exchange and the Company.

The Nomination Committee held one meeting during the year ended 31 August 2024. Individual attendance records of each member of the Nomination Committee are set out in the table on page 41 of this annual report.

After the reporting period, one meeting of the Nomination Committee was held on 29 November 2024 and the attendance record of the Nomination Committee members is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Xu Gang *(Chairman)*	1/1
Mr. O'Yang Wiley	1/1
Mr. Li Jiatong	1/1

In the meeting, the Nomination Committee reviewed and discussed the policy, procedure and criteria for nomination of the Directors, reviewed and discussed the Board diversity policy and discussed all measurable objectives set for implementing the Board diversity policy and the progress made towards meeting the measurable objective in the policy, assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors, reviewed the time commitment required from the non-executive Director and fulfilled duties as aforesaid required.

(2) Nomination Policy

The appointment of a Director is made on the recommendations of the Nomination Committee and by approval of the Board or by the Shareholders at a general meeting either to fill a casual vacancy or as an addition to the Board.

In assessing potential candidates for the Board, the Nomination Committee considers a basket of factors, including but not limited to gender, age, cultural and educational background, professional qualifications and skills (including knowledge and experience), reputation for integrity, potential commitment in respect of available time and relevant interest, independence, Director succession plan, Board diversity policy and any measurable objectives for achieving diversity on the Board. The recommendations of the Nomination Committee are then put to the entire Board for decision. For the details of Board diversity policy and the measurable objectives, please refer to the paragraph headed "THE BOARD — (4) Board Diversity Policy and (5) Measurable Objectives" above.

(3) Remuneration Committee

As at the date of this annual report, the Remuneration Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. Xu Gang, Mr. O'Yang Wiley and Mr. Li Jiatong. Mr. Xu Gang is the chairman of the Remuneration Committee.

The Remuneration Committee has adopted the second model described in paragraph E.1.2(c) under Appendix C1 to the Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member).

The principal duties of the Remuneration Committee include the followings:

- To make recommendations to the Board on the Company's policy and structure for the remuneration of all the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

- To review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

- To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and approve the individual executive Directors' service contracts;

- To assess the performance of executive Directors;

- To make recommendations to the Board on the remuneration of non-executive Directors;

- To consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management, and the employment conditions of the Company and its subsidiaries;

- To consider the level of remuneration required to attract and retain Directors to manage the Company successfully;

- To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration. For the avoidance of doubt, members of the Remuneration Committee must not be involved in deciding his/her own remuneration;

- To review and approve compensation payable to Directors and senior management for any loss or termination of office or appointment and compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that it is consistent with contractual terms, is otherwise fair and not excessive, reasonable and appropriate; and

- To advise Shareholders on how to vote in respect of any service contracts of Directors that requires Shareholders' approval in accordance with the Listing Rules.

The terms of reference of the Remuneration Committee are available on the respective websites of the Stock Exchange and the Company.

The Remuneration Committee held three meetings during the year ended 31 August 2024. Individual attendance records of each member of the Remuneration Committee are set out in the table on page 41 of this annual report.

After the reporting period, one meeting of the Remuneration Committee was held on 29 November 2024 and the attendance record of the Remuneration Committee members is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Xu Gang *(Chairman)*	1/1
Mr. O'Yang Wiley	1/1
Mr. Li Jiatong	1/1

In the meeting, the Remuneration Committee discussed and reviewed the remuneration policy for Directors and senior management of the Company, assessed performance of executive Directors, made recommendations to the Board on the remuneration packages of individual executive Directors and senior management and fulfilled duties as aforesaid required.

Details of the Directors' remuneration for the year ended 31 August 2024 are set out in the note 12 to the consolidated financial statements.

Details of the remuneration by band of the members of the senior management (excluding three Directors) of the Company for the year ended 31 August 2024 are set out below:

Remuneration band	**Number of individual**
HK$2,500,001 to HK$3,000,000	1

(4) Audit Committee

As at the date of this annual report, the Audit Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. O'Yang Wiley, Mr. Xu Gang and Mr. Li Jiatong. Mr. O'Yang Wiley is the chairman of the Audit Committee.

The main duties of the Audit Committee include the following:

- To be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

- To develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

- To monitor the integrity of the Company's financial statements, annual reports, accounts, half-yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

  (a) any changes in accounting policies and practices;

  (b) major judgmental areas;

  (c) significant adjustments resulting from the audit;

  (d) the going concern assumptions and any qualifications;

  (e) compliance with accounting standards; and

  (f) compliance with the Listing Rules and legal requirements in relation to financial reporting;

  Regarding the above paragraph:

  1. members of the Audit Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditor; and

2. the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and the Audit Committee should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditor;

- To review the Company's financial controls, risk management and internal control systems;

- To discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function;

- To consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

- Where an internal audit function exists, to ensure co-ordination between the internal and external auditor, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

- To review the Company and its subsidiaries' financial and accounting policies and practices;

- To review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

- To ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

- To report to the Board on the matters in the CG Code;

- To review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

- To act as the key representative body for overseeing the Company's relations with the external auditor;

- To review continuing connected transactions of the Company and ensure compliance with terms approved by Shareholders; and

- To perform the Company's corporate governance functions with details set out in the paragraph headed "THE BOARD — (13) Corporate Governance Function" above.

The Audit Committee held two meetings during the year ended 31 August 2024. Individual attendance records of each member of the Audit Committee are set out in the table on page 41 of this annual report.

After the reporting period, one meeting of the Audit Committee was held on 29 November 2024 and the attendance record of the Audit Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. O'Yang Wiley *(Chairman)*	1/1
Mr. Xu Gang	1/1
Mr. Li Jiatong	1/1

In the meeting, the Audit Committee reviewed the Group's policies on corporate governance and discussed the same with the Board, reviewed the financial reporting system, compliance procedures, internal control and risk management systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions) and associated processes and the reappointment of the external auditor and fulfilled duties as required aforesaid. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

The Audit Committee also reviewed the annual results of the Company and its subsidiaries for the year ended 31 August 2024 as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit.

There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The Audit Committee's written terms of reference are available on the respective websites of the Company and the Stock Exchange.

• DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 August 2024 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report in this annual report.

• RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing and maintaining proper and effective risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such systems are designed to identify, evaluate and manage risk exposures that may impact the efficiency and effectiveness of the Group's operations and provide reasonable assurance but not a guarantee about whether they are free from material misstatement, rather than to eliminate the risk of failure to achieve business objectives.

The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. The Board has the overall responsibilities for evaluating and determining the nature and extent of the risks (including ESG related risks) it is willing to take in achieving the Company's strategic objectives, and overseeing the management in the design, implementation and monitoring of the risk management and internal control systems. Such duties have been carried out and performed with the assistance of the management and the Audit Committee.

The Company has engaged an independent internal control advisor to perform annual independent review of the adequacy and effectiveness of the internal control systems, including reviewing guidelines and policies which are implemented throughout our operation, and risk management practices with an aim to, among other matters, improve our Group's corporate governance; provide and report practical recommendations to the Audit Committee to enhance the Group's overall internal control system as appropriate. The Board, through the Audit Committee, has conducted a review of the effectiveness of the internal control system of the Group covering all material controls, including financial, operational and compliance as well as risk management. The Board considered the internal control and risk management systems effective and adequate and was of the opinion that there were no significant areas of concern that might affect the Company's Shareholders for the year ended 31 August 2024.

The Group has been continuously conducting regular internal control reviews and risk assessments to identify potential improvement opportunities to enhance its governance, risk management and control practices since the internal audit function has been established.

In terms of management of liquidity risk, the Board monitors and maintains levels of cash and cash equivalents deemed adequate to finance the Group's operations with the assistance of the Group's management. In order to minimise the credit risk on receivables, the Board has adopted credit risk management policies and procedures by making periodic collective as well as individual assessments on the recoverability of receivables based on historical settlement records and past experience. Besides, the Board manages to formulate conservative strategies for mitigating other financial risks of the Group, which include overseeing the interest rate risk and currency risk.

The Group has established internal control procedures which provide the Board and employees with guidelines on assessing, reporting and disseminating inside information. In addition, inside information is disseminated to relevant personnel on a need-to-know basis, and the Group will review the existing policy and practice from time to time to ensure full compliance with the regulatory requirements.

Whistleblowing Policy

The Group is committed to high probity standards and encourages reporting of concerns and actual or suspected misconduct or malpractice by employees and external parties in any matter related to the Company. A comprehensive whistleblowing mechanism has been established to encourage employees and external parties to report any actual or suspected misconduct related to the Company.

The Audit Committee has designated the Head of the Human Resources Department and the Internal Control Director to receive any such reports on behalf, oversee subsequent investigations, and provide information, including recommendations arising from any inquiry, for consideration by the Audit Committee.

Unless legal or regulatory requirements require disclosure, the Group will make every effort to keep all information received and the identities of the Whistleblowers confidential.

Anti-corruption Policy

The Group has zero tolerance towards any form of bribery and corruption. An anti-corruption policy has been established to provide clear guidelines on ethical behaviours and the penalties imposed on any violation of the requirements set out in this policy. Penalties include verbal warnings, demerits, demotions, and termination of labor contracts based on the severity of employees' violations of laws and regulations.

• AUDITOR'S REMUNERATION

For the year ended 31 August 2024, professional fees paid or payable to Messrs. Deloitte Touche Tohmatsu, the Company's external auditor, for audit and non-audit services provided to the Group are as follows:

Services	Fees charged RMB'000
Audit services	4,000
Non-audit services	243
Total	4,243

• COMPANY SECRETARY

During the year ended 31 August 2024, the company secretary of the Company has complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

• GENERAL MEETING

During the year ended 31 August 2024, the Company held an annual general meeting on 19 January 2024 and an extraordinary general meeting on 19 January 2024.

• COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Shareholders and potential investors on the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for Shareholders to communicate directly with the Directors. The chairman of the Board, and the chairmen of the Board committees will attend the AGM to answer Shareholders' questions. The external auditor of the Company will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders such as arranging press conferences, investor and analyst briefings, roadshows and media interviews, which our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and investor relations team provide briefing on the operating results and development of the Group and address to the queries of the Shareholders, investors and analysts; and maintains a website at http://www.edvantagegroup.com.hk, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Board has reviewed its prevailing Shareholders' Communication Policy during the year, including the multiple communication channels for Shareholders in place and the steps taken to handle shareholders' enquiries, and considered that the Shareholders' communication policy has been properly implemented and effective; Shareholders can refer to the "Shareholders' Communication Policy" posted on the Group's websites for more details.

• SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed by the chairman of that meeting for each substantially different issue at Shareholder meetings, including nomination and election of individual directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholder meeting in accordance with the Listing Rules.

(1) Procedures for Shareholders to convene an extraordinary general meeting

In accordance with Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(2) Procedures for putting forward proposals at general meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Act of the Cayman Islands. However, Shareholders who wish to propose resolutions may follow Article 12.3 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 12.3 are set out above.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

(3) Enquiries to the Board

Shareholders and investors may send written enquiries or requests to the company secretary of the Company as follows:

Address: Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong
Tel: +852 3168 6668
Fax: +852 3168 6678

Enquiries will be dealt with in a timely and informative manner.

• CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change to the Company's constitutional documents in the year ended 31 August 2024.

Directors' Report

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 August 2024.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 18 October 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The Company's ordinary shares were listed on the Stock Exchange on 16 July 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher and vocational education institutions in the PRC and overseas.

The activities and particulars of the Company's principal subsidiaries are shown under note 39 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during reporting period, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis". The review and discussion form part of this Directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. Further details of the Group's environmental policies and performance will be disclosed in the ESG report of the Company for the year ended 31 August 2024 to be published in due course.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on 24 January 2025. Notice of the AGM will be published and issued to the Shareholders in due course.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 August 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 121 of this annual report.

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND

The Board has resolved to recommend payment of a final dividend in respect of the year ended 31 August 2024 ("**Final Dividend**") of HK10.0 cents per Share, to Shareholders whose names appear on the register of members of the Company at the close of business on 28 March 2025 (the "**Record Date**"), whereas the Final Dividend will be payable in cash with a scrip dividend alternative which allows eligible Shareholders ("**Eligible Shareholders**") to elect to receive the Final Dividend wholly in new shares or partly in new shares and partly in cash or wholly in cash (the "**Scrip Dividend Scheme**").

For the purpose of calculating the number of new shares to be allotted and issued under the Scrip Dividend Scheme, the issue price of the new shares will be determined with reference to the average closing price per Share as stated in the daily quotation sheet of the Stock Exchange for the three consecutive trading days commencing from 24 March 2025, Monday to 26 March 2025, Wednesday both days inclusive).

The Scrip Dividend Scheme is conditional upon (i) the passing of the ordinary resolutions approving the Final Dividend and the Scrip Dividend Scheme by the Shareholders at the AGM; and (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the scrip shares to be issued under the Scrip Dividend Scheme.

A circular in respect of the AGM which (among others) gives details of the Scrip Dividend Scheme including the expected timetable will be sent to the Shareholders on or around 31 December 2024, Tuesday. Subject to the fulfilment of all conditions of the Scrip Dividend Scheme, it is expected that the Final Dividend cheques and certificates for the new shares (in case the Eligible Shareholders have elected to receive part or all of their Final Dividend in the form of new shares) will be despatched to the Eligible Shareholders on or around 30 May 2025, Friday.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the AGM

The register of members of the Company will be closed during the period from 20 January 2025, Monday to 24 January 2025, Friday, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Central, Hong Kong, not later than 4:30 p.m. on 17 January 2025, Friday.

Entitlement to the proposed Final Dividend

The proposed Final Dividend is subject to the approval of the Shareholders at the AGM. The register of members of the Company will be closed from 26 March 2025, Wednesday to 28 March 2025, Friday, both days inclusive, during which period no transfers of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to the proposed Final Dividend. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Central, Hong Kong not later than 4:30 p.m. on 25 March 2025, Tuesday.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**"), details of which are disclosed as follows:

1. PURPOSE

The Dividend Policy aims to set out the principles and guidelines that Board intends to apply in relation to the declaration, payment and distribution of dividends to the Shareholders.

2. PRINCIPLES AND GUIDELINES

2.1 Subject to the Cayman Islands Companies Act and the Articles of Association, the Board has absolute discretion on whether to declare and distribute dividends.

2.2 In addition, the Shareholders in general meeting may declare dividends but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company that are lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on the Company's future operations and earnings, capital requirements, statutory fund reserve requirements, cash flows, general financial condition, contractual restrictions and other factors that the Board considers relevant.

2.3 Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from the subsidiaries of the Company. Regulations in China may restrict the ability of the Company's Chinese subsidiaries to pay dividends to the Company.

2.4 The Board currently intends to recommend an annual dividend of approximately 30% of the Company's profits available for distribution generated in each financial year.

2.5 If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares or the terms of issue thereof otherwise provide: (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares; and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, instalments or otherwise.

3. REVIEW OF THE POLICY

The Dividend Policy reflects the Board's current views on the Company's financial and cash flow position. The Board will continue to review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 12 of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 August 2024 are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 August 2024 are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the movements in the reserves of the Company during the year ended 31 August 2024 are set out in note 40 to the consolidated financial statements.

As at 31 August 2024, the Company's reserves available for distribution to the Shareholders consisted of share premium of approximately RMB628.8 million and retained profits of approximately RMB21.1 million. Under the Companies Act of the Cayman Islands and subject to compliance with the Articles of Association, the share premium account may be applied by the Company for paying distributions or dividend if, after such distributions or dividend is paid, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

BORROWINGS

As at 31 August 2024, the Group had outstanding bank and other borrowings of approximately RMB1,672.2 million. Details of the borrowings are set out in note 26 to the consolidated financial statements.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 August 2024.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

DIRECTORS

The Board currently consists of the following seven Directors:

Executive Directors

Mr. Liu Yung Chau *(Chairman)*
Ms. Chen Yuan, Rita
Ms. Liu Yi Man *(Chief Executive Officer)*

Non-executive Director

Mr. Liu Yung Kan

Independent non-executive Directors

Mr. Xu Gang
Mr. O'Yang Wiley
Mr. Li Jiatong

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 15 to 19 in the section headed "Profile of Directors and Senior Management" to this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Liu Yung Chau, Ms. Chen Yuan, Rita, Ms. Liu Yi Man and Mr. Liu Yung Kan has entered into a service contract with the Company on 6 June 2019. The initial term of their service contract shall commence from the date of their appointment as an executive or a non-executive Director (as the case may be) and continue for a period of three years or until the third annual general meeting of the Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

Each of Mr. Xu Gang, Mr. Li Jiatong and Mr. O'Yang Wiley, the independent non-executive Directors, has entered into an appointment letter with the Company on 6 June 2019 (for Mr. Xu Gang and Mr. Li Jiatong) and 15 February 2022 (for Mr. O'Yang Wiley) respectively. The initial term for the appointment letters of Mr. Xu Gang and Mr. Li Jiatong shall be three years from the date of their appointment as the independent non-executive Directors or until the third annual general meeting of the Company since the Listing Date, whichever is sooner and the initial term of appointment of Mr. O'Yang Wiley is 3 years from 16 February 2022 (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. Under the respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee.

The appointment of the Directors is subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors has entered into any service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the sections headed "Connected Transactions", "Related Party Transactions" and note 38 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 August 2024 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 August 2024 or subsisted at the end of the year.

DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in the sections headed "Connected Transactions", "Related Party Transactions" and note 38 to the consolidated financial statements contained in this annual report, no transaction, arrangement or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 August 2024.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in note 12 to the consolidated financial statements.

For the year ended 31 August 2024, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office and none of the Directors has waived or agreed to waive any emoluments for the year ended 31 August 2024.

During the year ended 31 August 2024, the 2019 Share Option Scheme and the 2019 Share Award Scheme were terminated and the 2024 Share Option Scheme and the 2024 Share Award Scheme were adopted as incentive for Directors and eligible employees. Details of the said schemes are set out under the section headed "SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES" in this annual report.

Save as disclosed above, no other payments have been made or are payable, for the year ended 31 August 2024, by the Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 August 2024, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a Director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

NON-COMPETITION UNDERTAKING

Mr. Liu, Ms. Chen and BVI Holdco, our Controlling Shareholders, have entered into a non-competition undertaking (the "**Non-competition Undertaking**") dated 24 June 2019 in favour of our Company. Pursuant to the Non-competition Undertaking, our Controlling Shareholders have undertaken to our Company that they shall not, and shall procure that none of their respective close associates (other than any members of our Group) shall, during the Restricted Period (as defined in the Prospectus), directly or indirectly, either on their own account or in conjunction with or on behalf of any person or company, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a Shareholder, partner, agent or otherwise) any business which is or is likely to be in competition with the businesses of our Group, which are higher education in the PRC and higher education and vocational training outside of the PRC. Details of the Non-competition Undertaking are set out in the section headed "Relationship with our Controlling Shareholders — Non-competition Undertaking" in the Prospectus.

The Controlling Shareholders confirmed that they have complied with the Non-competition Undertaking for the year ended 31 August 2024. The independent non-executive Directors have conducted such review for the year ended 31 August 2024 and also reviewed the relevant undertakings and are satisfied that the Non-competition Undertaking has been fully complied with.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters as disclosed in the section headed "Directors' service contracts" in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended 31 August 2024.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 August 2024.

LOAN AND GUARANTEE

Save as disclosed in note 26 to the consolidated financial statements in this annual report, during the year ended 31 August 2024, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective associates (as defined in the Listing Rules).

SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES

2019 Share Option Scheme

The Company conditionally approved and adopted the 2019 Share Option Scheme pursuant to the resolutions of the Shareholders passed on 6 June 2019.

(a) Purpose

The purpose of the 2019 Share Option Scheme is to provide Eligible Persons (defined below) with the opportunity to acquire proprietary interests in our Company and to encourage the Eligible Person to work towards enhancing the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole. The 2019 Share Option Scheme will provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

(b) Eligible Persons

Any individual, being an employee, Director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any of our Group's affiliates who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options ("**Eligible Person(s)**").

However, no individual who is resident in a place where the grant, acceptance, vesting or exercise of options pursuant to the 2019 Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

(c) Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the 2019 Share Option Scheme and any other schemes is 100,000,000, being no more than 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the "**Option Scheme Mandate Limit**"). Options which have lapsed in accordance with the terms of the rules of the 2019 Share Option Scheme (or any other share option schemes of our Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2019 Share Option Scheme and any other share option schemes of our Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (the "**Option Scheme Limit**"). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time subject to prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Option Scheme Mandate Limit as refreshed cannot exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the 2019 Share Option Scheme and any other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Our Company may also seek separate approval of the Shareholders in general meeting for granting options beyond the Option Scheme Mandate Limit, provided such grant is to Eligible Person specifically identified by our Company before the aforesaid Shareholders' meeting where such approval is sought.

(d) Maximum entitlement of a grantee

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2019 Share Option Scheme and any other share option scheme(s) of our Company to each Eligible Person (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Any further grant of options to an Eligible Person which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders in general meeting with Eligible Persons and his associates abstaining from voting.

(e) Acceptance of offer

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof, is received by our Company within 20 business days from the date on which the letter containing the offer is delivered to the Eligible Person.

(f) Time of exercise of an option

An option may, subject to the rules of the 2019 Share Option Scheme and the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as our Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(g) Duration

The 2019 Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, i.e. until 15 July 2029, (after which, no further options shall be offered or granted), but in all other respects the provisions of the 2019 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the 2019 Share Option Scheme.

As at 1 September 2023, the number of share options available for grant under the then available scheme mandate under the 2019 Share Option Scheme was 82,460,603. As the 2019 Share Option Scheme was terminated on 19 January 2024, no further share options may be granted under the 2019 Share Option Scheme with effect from 19 January 2024. Accordingly, as at 31 August 2024, the number of options available for grant under the then available scheme mandate under the 2019 Share Option Scheme was 0.

The 2019 Share Option Scheme was terminated by shareholders' resolution passed on 19 January 2024 prior to its expiry, and the Company has adopted the 2024 Share Option Scheme on the same date.

2024 Share Option Scheme

Reference is made to the circular of the Company dated 4 January 2024. Unless otherwise defined, all capitalised terms and abbreviations under this section shall have the same meanings as those defined in the said circular.

(a) Purpose

The purposes of the 2024 Share Option Scheme are to (i) to recognise and acknowledge the contribution of the Participants and provide incentives to motivate Participants to contribute to, and promote the interests of, the Company by granting Options to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop and, maintain and strengthen business long-term relationships that the Participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the Grantees with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

(b) Eligible Persons

Eligible participants of the 2024 Share Option Scheme include (i) Employee Participants; (ii) Related Entity Participants; and (iii) Service Providers.

(c) Maximum number of Shares

Subject to refreshment and adjustment pursuant to the 2024 Share Option Scheme Rules, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the 2024 Share Option Scheme, and all share options and all share awards to be granted under any Other Schemes (the "**Scheme Mandate Limit**") must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, and the maximum number of Shares which may be allotted and issued in respect of all Options, all share options and all share awards to be granted to Service Providers under the 2024 Share Option Scheme and any Other Schemes (the "**Service Provider Sublimit**") must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date, unless the Company seeks separate Shareholders' approval in general meeting.

On the Adoption Date, there were 1,141,814,113 Shares in issue. Accordingly, (i) the total number of Shares which may be issued in respect of all Options and Awarded Shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes would be no more than 114,181,411 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date; and (ii) the total number of Shares that may be issued in respect of all Options and Awarded Shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes to the Service Providers would be no more than 11,418,141 Shares, representing no more than approximately 1% of the total number of Shares in issue as at the Adoption Date.

(d) Maximum entitlement of a grantee

The total number of Shares issued and to be issued in respect of all Options granted under the 2024 Share Option Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme or such Other Scheme(s)) to each Participant in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**").

(e) Acceptance of offer

The acceptance of an Offer must be accompanied by payment in favour of the Company of HK$1.00 as consideration for the Offer which shall be paid to the Company within the time stated in the Offer which shall be determined by the Board from time to time.

(f) Basis for determining the exercise price of an option

The Subscription Price (subject to the adjustments in accordance with the 2024 Share Option Scheme Rules) shall be a price determined by the Board and notified to a Participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

(g) Time of exercise of an option

An Option may be exercised in whole or in part by the Grantee (or his/her Personal Representative(s)) during the Option Period by giving notice in writing to the Company (or to such entity or via such platform in such manner designated by the Board from time to time) stating that the Option is to be exercised and the number of Shares in respect of which it is exercised in such manner specified in the Offer, or by such other method as the Board may from time to time prescribe.

(h) Vesting period of an option

The Vesting Period in respect of any Options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Options granted to Employee Participants may be subject to a shorter Vesting Period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:

(a) grants of "make-whole" Options to a new Employee Participant to replace the share awards or share options that such Employee Participant forfeited when leaving his/her previous employer;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;

(c) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;

(d) grants of Options that are made in batches during a year for administrative and compliance reasons;

(e) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and

(f) grants of Options with a total vesting and holding period of more than 12 months.

(i) Duration

The 2024 Share Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date unless sooner terminated. The 2024 Share Option Scheme may be terminated at any time by the Board or by the Company by resolution in general meeting. After the expiry or termination of the 2024 Share Option Scheme, no further Options shall be offered or granted under the 2024 Share Option Scheme, but in all other respects the provisions of the 2024 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the 2024 Share Option Scheme prior thereto or otherwise as may be required in accordance with the provisions of the 2024 Share Option Scheme, and Options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the 2024 Share Option Scheme and their terms of grant.

The following tables disclose movements in the Company's share options under the 2019 Share Option Scheme during the reporting period:

Option type	Date of grant	Exercise price	Exercise period	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
		HK$	*(Note 1)*			*(Note 4)*			
Directors									
Mr. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	10 December 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	15 July 2022	2.394	23 August 2022 – 24 September 2027	449,188	—	—	—	—	449,188
	15 July 2022	2.394	8 December 2022 – 24 September 2027	449,188	—	—	—	—	449,188
	15 July 2022	2.394	28 March 2023 – 24 September 2027	449,192	—	—	—	—	449,192

Option type	Date of grant	Exercise price HK$	Exercise period (Note 1)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year (Note 4)	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Directors (Continued)									
Ms. Chen	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	15 July 2022	2.394	23 August 2022 – 24 September 2027	89,845	—	—	—	—	89,845
	15 July 2022	2.394	8 December 2022 – 24 September 2027	89,845	—	—	—	—	89,845
	15 July 2022	2.394	28 March 2023 – 24 September 2027	89,849	—	—	—	—	89,849
Ms. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	29 March 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	10 December 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	22 February 2021	9.288	10 December 2021 – 29 January 2027	84,541	—	—	—	—	84,541
	15 July 2022	2.394	23 August 2022 – 24 September 2027	354,058	—	—	—	—	354,058
	15 July 2022	2.394	8 December 2022 – 24 September 2027	354,058	—	—	—	—	354,058
	15 July 2022	2.394	28 March 2023 – 24 September 2027	354,059	—	—	—	—	354,059
	15 July 2022	2.394	7 December 2023 – 24 September 2027	84,551	—	—	—	—	84,551
	15 July 2022	2.394	26 March 2024 – 24 September 2027	84,551	—	—	—	—	84,551

Option type	Date of grant	Exercise price HK$	Exercise period (Note 1)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year (Note 4)	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Directors (Continued)									
Mr. Liu Yung Kan	21 January 2020	4.954	10 December 2020 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	29 March 2021 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	10 December 2021 – 30 January 2026	62,885	—	—	—	—	62,885
	15 July 2022	2.394	23 August 2022 – 24 September 2027	62,895	—	—	—	—	62,895
	15 July 2022	2.394	8 December 2022 – 24 September 2027	62,895	—	—	—	—	62,895
	15 July 2022	2.394	28 March 2023 – 24 September 2027	62,895	—	—	—	—	62,895
Mr. Xu Gang	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	15 July 2022	2.394	23 August 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	8 December 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	28 March 2023 – 24 September 2027	17,978	—	—	—	—	17,978

Option type	Date of grant	Exercise price HK$	Exercise period (Note 1)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year (Note 4)	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Directors (Continued)									
Mr. Li Jiatong	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	15 July 2022	2.394	23 August 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	8 December 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	28 March 2023 – 24 September 2027	17,978	—	—	—	—	17,978
Directors in aggregate				5,951,491	—	—	—	—	5,951,491
Associates of Directors and substantial Shareholders *(Note 2)*									
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	4.954	10 December 2020 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	10 December 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	15 July 2022	2.394	23 August 2022 – 24 September 2027	26,960	—	—	—	—	26,960
	15 July 2022	2.394	8 December 2022 – 24 September 2027	26,960	—	—	—	—	26,960
	15 July 2022	2.394	28 March 2023 – 24 September 2027	26,964	—	—	—	—	26,964

Option type	Date of grant	Exercise price HK$	Exercise period (Note 1)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year (Note 4)	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Associates of Directors and substantial Shareholders *(Note 2)* (Continued)									
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	22 February 2021	9.288	10 December 2021 – 29 January 2027	42,270	—	—	—	—	42,270
	15 July 2022	2.394	23 August 2022 – 24 September 2027	132,115	—	—	—	—	132,115
	15 July 2022	2.394	8 December 2022 – 24 September 2027	132,115	—	—	—	—	132,115
	15 July 2022	2.394	28 March 2023 – 24 September 2027	132,119	—	—	—	—	132,119
	15 July 2022	2.394	7 December 2023 – 24 September 2027	42,280	—	—	—	—	42,280
	15 July 2022	2.394	26 March 2024 – 24 September 2027	42,283	—	—	—	—	42,283
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	10 December 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	15 July 2022	2.394	23 August 2022 – 24 September 2027	71,878	—	—	—	—	71,878
	15 July 2022	2.394	8 December 2022 – 24 September 2027	71,878	—	—	—	—	71,878
	15 July 2022	2.394	28 March 2023 – 24 September 2027	71,881	—	—	—	—	71,881
Associates of Directors and substantial Shareholders in aggregate				1,385,662	—	—	—	—	1,385,662

Option type	Date of grant	Exercise price HK$	Exercise period (Note 1)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year (Note 4)	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Employees (non-connected persons) *(Note 3)*	21 January 2020	4.954	10 December 2020 – 30 January 2026	601,897	—	(170,687)	—	—	431,210
	21 January 2020	4.954	29 March 2021 – 30 January 2026	601,897	—	(170,687)	—	—	431,210
	21 January 2020	4.954	10 December 2021 – 30 January 2026	601,897	—	(170,687)	—	—	431,210
	22 February 2021	9.288	10 December 2021 – 29 January 2027	593,223	—	—	—	—	593,223
	29 April 2021	8.592	10 December 2021 – 30 April 2027	293,690	—	—	—	—	293,690
	15 July 2022	2.394	23 August 2022 – 24 September 2027	1,815,497	—	(362,266)	—	(170,707)	1,282,524
	15 July 2022	2.394	8 December 2022 – 24 September 2027	1,621,643	—	(105,581)	—	(170,707)	1,345,355
	15 July 2022	2.394	28 March 2023 – 24 September 2027	1,738,281	—	(287,161)	—	(168,586)	1,282,534
	15 July 2022	2.394	7 December 2023 – 24 September 2027	976,005	—	—	—	—	976,005
	15 July 2022	2.394	26 March 2024 – 24 September 2027	1,156,668	—	(243,489)	—	—	913,179
Employees (non-connected persons) in aggregate				10,000,698	—	(1,510,558)	—	(510,000)	7,980,140
Total				17,337,851	—	(1,510,558)	—	(510,000)	15,317,293
Weighted average closing price immediately before the dates on which the options were exercised									HK$2.443
Exercisable at the end of the year									15,317,293

Notes:

(1) The vesting period commences on the date of grant and up to the share options becoming exercisable.

(2) Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are employees of the Group.

(3) Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

(4) All share options which are categorised as "forfeited/cancelled during the year" in the above table represent the share options which lapsed upon termination of employment of the relevant grantees in accordance with the rules governing the 2019 Share Option Scheme. Such lapsed share options are categorised as "forfeited during the year" in accordance with applicable accounting and/or financial reporting standards. For the avoidance of doubt, no share options were cancelled according to the rules governing the 2019 Share Option Scheme during the reporting year.

No share options had been granted during the year ended 31 August 2024 and 2023. As at 1 September 2023 and 31 August 2024, there is no outstanding share option granted under the 2024 Share Option Scheme.

Save as disclosed above, no share options had been granted, exercised, lapsed or cancelled under the 2019 Share Option Scheme and 2024 Share Option Scheme respectively during the reporting period.

2019 Share Award Scheme

On 6 June 2019, the Company adopted the 2019 Share Award Scheme effective from the Listing Date.

(a) Purpose

The purpose of the 2019 Share Award Scheme is to align the interests of Eligible Persons with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of our Group.

(b) Eligible Persons

Any individual, being an employee, Director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to our Group is eligible to receive an Award (as defined below). However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the 2019 Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the 2019 Share Award Scheme.

(c) Maximum number of Shares to be granted

The maximum aggregate number of Shares underlying all grants made pursuant to the 2019 Share Award Scheme (excluding Shares which have been forfeited in accordance with the 2019 Share Award Scheme) will not exceed 20,000,000 Shares (representing approximately 2% of the total issued Shares immediately after completion of the Global Offering, assuming the Over-allotment Option and options granted under the 2019 Share Option Scheme are not exercised and no Shares are granted under the 2019 Share Award Scheme, and representing approximately 1.75% of the total issued Shares as at the date of this Annual Report) without further Shareholders' approval (the "**2019 Share Award Scheme Limit**").

Under the current 2019 Share Award Scheme Limit, new Shares (up to 20,000,000 Shares) may be issued by our Company within ten years of the Listing Date (the "**Award Period**").

Save as otherwise restricted by the 2019 Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested Shares that may be granted to a selected participant under the Scheme.

(d) Maximum entitlement of each grantee

There is no maximum entitlement of each grantee specified under the 2019 Share Award Scheme.

(e) Vesting of Awards

The Board or its delegate(s) may from time to time while the 2019 Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

If there is an event of change in control of our Company by way of a merger, a privatisation of our Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Award will be accelerated to an earlier date.

(f) Purchase price of Awards

Awards granted under the 2019 Share Award Scheme are not subject to any purchase price.

(g) Duration and termination

The 2019 Share Award Scheme shall be valid and effective for the Award Period (after which no Awards will be granted), and thereafter for so long as there are any non-vested Shares granted prior to the expiration of the 2019 Share Award Scheme, in order to give effect to the vesting of such Shares or otherwise as may be required in accordance with the rules of the 2019 Share Award Scheme. Subject to the foregoing, the 2019 Share Award Scheme shall terminate on the earlier of:

(i) the end of the Award Period except in respect of any non-vested Shares granted prior to the expiration of the 2019 Share Award Scheme, for the purpose of giving effect to the vesting of such Shares or otherwise as may be required in accordance with the provisions of the 2019 Share Award Scheme; and

(ii) such date of early termination as determined by our Board provided that such termination shall not affect any subsisting rights in respect of the Shares granted to a selected participant under the 2019 Share Award scheme.

As at 1 September 2023, the maximum number of awarded Shares (whether in the form of new Shares or existing Shares) available for grant under the 2019 Share Award Scheme (i.e. the scheme limit) was 16,791,383. As the 2019 Share Award Scheme was terminated on 19 January 2024, no further share awards may be granted under the 2019 Share Award Scheme with effect from 19 January 2024. Accordingly, as at 31 August 2024, the number of share awards available for grant under the then available scheme limit under the 2019 Share Award Scheme was 0.

2024 Share Award Scheme

The 2019 Share Award Scheme was terminated by shareholders' resolution passed on 19 January 2024 prior to its expiry, and the Company has adopted 2024 Share Award Scheme on the same date. For details of the 2024 Share Award Scheme, please refer to the circular of the Company dated 4 January 2024.

(a) Purpose

The purposes of the 2024 Share Award Scheme are (i) to recognise and acknowledge the contribution of the Participants and to motivate the Participants to contribute to, and promote the interests of, the Company by granting Awards to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop, maintain and strengthen long-term relationships that the Participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the Selected Persons with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

(b) Eligible Persons

Eligible participants of the 2024 Share Award Scheme include (i) Employee Participants; (ii) Related Entity Participants; and (iii) Service Providers.

(c) Maximum number of Shares

Subject to refreshment and adjustment pursuant to the 2024 Share Award Scheme Rules, the maximum number of new Shares which may be allotted and issued in respect of all Awards to be granted under the 2024 Share Award Scheme and all share options and share awards to be granted under any Other Schemes (i.e. the Scheme Mandate Limit) shall not in aggregate exceed 10% of the number of issued Shares of the Company as at the Adoption Date (or such other limit (if any) prescribed by the Listing Rules from time to time), and the Service Provider Sublimit must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date, unless the Company has obtained separate approval by Shareholders.

On the Adoption Date, there were 1,141,814,113 Shares in issue. Accordingly, (i) the total number of Shares which may be issued in respect of all Options and Awarded Shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes would be no more than 114,181,411 Shares, representing no more than approximately 10% of the total number of Shares in issue as at the Adoption Date; and (ii) the total number of Shares that may be issued in respect of all Options and Awarded Shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes to the Service Providers would be no more than 11,418,141 Shares, representing no more than approximately 1% of the total number of Shares in issue as at the Adoption Date

(d) Maximum entitlement of a grantee

The total number of Shares issued and to be issued in respect of all Awards granted under the 2024 Share Award Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding share options and vested or outstanding Awarded Shares and awards but excluding any Awards, share options and share awards lapsed in accordance with the terms of the 2024 Share Award Scheme or any Other Schemes) to each Participant in any 12-month period up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (i.e. Individual Limit)

(e) Grant price

The grant price of the Awarded Shares (if any) shall be such price which shall be determined by the Board from time to time based on considerations such as the purpose of the Award and the characteristics and profile of the Selected Person, which shall be paid to the Company within the time stated in the Grant Letter which shall be determined by the Board from time to time.

(f) Vesting period of Awards

The Vesting Period in respect of any Awarded Share shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Awards granted to Employee Participants may be subject to a shorter Vesting Period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:

(a) grants of "make-whole" Awards to a new Employee Participant to replace the awards or options that such Employee Participant forfeited when leaving his/her previous employer;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;

(c) grants of Awards with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;

(d) grants of Awards that are made in batches during a year for administrative and compliance reasons;

(e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and

(f) grants of Awards with a total vesting and holding period of more than 12 months.

(g) Duration

Subject to the early termination of the 2024 Share Award Scheme by the Company by resolution in general meeting, or by the Board at any time, the 2024 Share Award Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date. After the expiry or termination of the 2024 Share Award Scheme, no further Award shall be offered or granted under the 2024 Share Award Scheme but in all other respects the provisions of the 2024 Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awarded Shares (together with, if applicable, the Related Distributions) granted under the 2024 Share Award Scheme prior thereto or otherwise as may be required in accordance with the provisions of the 2024 Share Award Scheme, and the Awarded Shares (together with, if applicable, the Related Distributions) which are granted and subsisting under the 2024 Share Award Scheme prior to such termination shall continue to be in full force and effect in accordance with the 2024 Share Award Scheme and their terms of grant.

The following tables disclose movements in the Company's share awards under the 2019 Share Award Scheme and 2024 Share Award Scheme during the reporting period:

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2023	Granted during the year *(Note 4 and 5)*	Vested during the year	Forfeited/ cancelled during the year *(Note 3)*	Lapsed during the year	Number of share awards outstanding at 31 August 2024
Directors								
Mr. Liu	24 May 2024	26 May 2025	—	1,044,177	—	—	—	1,044,177
Ms. Chen	24 May 2024	26 May 2025	—	602,410	—	—	—	602,410
Ms. Liu	22 February 2021	08 December 2023	16,304	—	(16,304)	—	—	—
	22 February 2021	27 March 2024	16,306	—	(16,306)	—	—	—
	24 May 2024	26 May 2025	—	1,004,016	—	—	—	1,004,016
Directors in aggregate			32,610	2,650,603	(32,610)	—	—	2,650,603

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2023	Granted during the year *(Note 4 and 5)*	Vested during the year	Forfeited/ cancelled during the year *(Note 3)*	Lapsed during the year	Number of share awards outstanding at 31 August 2024
Associates of Directors and substantial Shareholders *(Note 1)*								
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	22 February 2021	08 December 2023	8,152	—	(8,152)	—	—	—
	22 February 2021	27 March 2024	8,153	—	(8,153)	—	—	—
	24 May 2024	26 May 2025	—	401,606	—	—	—	401,606
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	24 May 2024	26 May 2025	—	401,606	—	—	—	401,606
Associates of Directors and substantial Shareholders in aggregate			16,305	803,212	(16,305)	—	—	803,212
Employees (non-connected persons) *(Note 2)*	22 February 2021	08 December 2023	114,406	—	(94,378)	(20,028)	—	—
	22 February 2021	27 March 2024	161,373	—	(104,717)	(56,656)	—	—
	29 April 2021	08 December 2023	70,527	—	(53,008)	(17,519)	—	—
	29 April 2021	27 March 2024	58,947	—	(50,889)	(8,058)	—	—
	24 May 2024	26 May 2025	—	975,904	—	—	—	975,904
Employees (non-connected persons) in aggregate			405,253	975,904	(302,992)	(102,261)	—	975,904
Total			454,168	4,429,719	(351,907)	(102,261)	—	4,429,719

Notes:

(1) Mr. Liu Chi Hin and Mr. Liu Chi Wai are employees of the Group.

(2) Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

(3) Except for 46,958 shares forfeited due to the termination of employment contract pursuant to the provisions of the scheme rules governing the 2019 Share Award Scheme, the number of award shares set out under the column "Forfeited/cancelled during the year" represents the number of award shares granted to the relevant grantee which were deducted to reimburse the Company for withholding tax paid or payable by the Company on behalf of the relevant grantees upon vesting. Pursuant to the rules governing the 2019 Share Award Scheme, award Shares forfeited in accordance with the 2019 Share Award Scheme are excluded in calculating the scheme limit (i.e. such further Shares underlying all further grant of awards that may be made under the 2019 Share Award Scheme).

(4) The purchase price of all the above share awards granted is HK$0.

(5) The fair value of awards granted on 24 May 2024 at the date of grant is HK$2.480. Such fair value is calculated based on the market value of the Shares at the grant date.

The closing price of the Company's shares immediately before the grant of share awards on 24 May 2024 was HK$2.480 per share.

Save as disclosed above, no share awards had been granted, lapsed or cancelled under the 2019 Share Award Scheme and 2024 Share Award Scheme respectively during the reporting period.

As disclosed above, the Company adopted the 2024 Share Option Scheme and 2024 Share Award Scheme on 19 January 2024. Accordingly, as at 1 September 2023, both the number of share options available for grant under the 2024 Share Option Scheme and the number of share awards available for grant under the 2024 Share Award Scheme are 0.

No grant was made under the 2024 Share Option Scheme and a grant of 4,429,719 share awards was made under the 2024 Share Award Scheme to Employee Participants during the year ended 31 August 2024. Accordingly, as at 31 August 2024, the number of share options and share awards available for grant under the Scheme Mandate Limit and Service Provider Sublimit under the 2024 Share Option Scheme, 2024 Share Award Scheme and any other share schemes of the Company (including the 2019 Share Option Scheme and the 2019 Share Award Scheme) were 109,751,692 Shares and 11,418,141 Shares respectively.

The number of shares that may be issued in respect of share options and share awards granted under all share schemes of the Company during the year ended 31 August 2024 divided by the weighted average number of Shares in issue during the year ended 31 August 2024 is 0.39%.

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

As at 31 August 2024, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

	Capacity/Nature of interest					
Name of Director	Personal Interest	Family Interest/ Corporate interests	Other Interest *(Note 3)*	Number of shares held under equity derivatives *(Note 4)*	Total number of Shares interested	Approximate percentage of the Company's issued share capital *(Note 5)*
Mr. Liu	786,855	805,529,817 *(Note 1)*	1,044,177	2,695,102	810,055,951	70.92%
Ms. Chen	95,194	808,819,303 *(Note 2)*	602,410	539,044	810,055,951	70.92%
Ms. Liu Yi Man	1,093,990	—	1,004,016	2,124,339	4,222,345	0.37%
Mr. Liu Yung Kan	70,711	—	—	377,340	448,051	0.04%
Mr. Xu Gang	18,378	—	—	107,833	126,211	0.01%
Mr. Li Jiatong	19,038	—	—	107,833	126,871	0.01%

Notes:

1. For the purpose of the SFO, as at 31 August 2024, other than the personal interests and the other interests as stated in the above table, Mr. Liu was deemed to be interested in (i) 804,293,169 Shares held by BVI Holdco which was owned as to 50% by Mr. Liu and 50% by Ms. Chen (who is spouse to Mr. Liu) and (ii) 1,236,648 Shares beneficially interested by Ms. Chen.

2. For the purpose of the SFO, as at 31 August 2024, other than the personal interests and the other interests as stated in the above table, Ms. Chen was deemed to be interested in (i) 804,293,169 Shares held by BVI Holdco which was owned as to 50% by Mr. Liu (who is spouse to Ms. Chen) and 50% by Ms. Chen and (ii) 4,526,134 Shares beneficially interested by Mr. Liu.

3. These other interests are the interest in the award shares granted to the relevant Directors under the 2024 Share Award Scheme which have not yet vested, forfeited or expired on 31 August 2024, of which the Award Shares granted on 24 May 2024 (by way of new shares) have not yet been issued on 31 August 2024. The details of such award shares are disclosed in note 32(b) to the consolidated financial statements in this annual report.

4. As at 31 August 2024, these equity derivatives were outstanding share options granted to the relevant Directors under the 2019 Share Option Scheme on 21 January 2020, 22 February 2021 and 15 July 2022 which have not been exercised, lapsed or canceled as at 31 August 2024, the details of which are disclosed in note 32 to the consolidated financial statements in this annual report.

5. Such percentage was calculated based on the total number of Shares and underlying Shares in which each of the Directors was interested as recorded in the register required to be kept by the Company pursuant to Part XV of the SFO and disclosed on the website of the Stock Exchange against the number of issued Shares of the Company as at 31 August 2024, being 1,142,276,007 Shares.

Save as disclosed above and to the best knowledge of the Directors, as at 31 August 2024, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 31 August 2024, the interests and short positions of the persons, other than a Director or chief executive of the Company, in the Shares and underlying Shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name	Capacity/ Nature of interest	Number of Shares interested[(1)]	Approximate percentage of the Company's issued share capital[(2)]
BVI Holdco	Beneficial owner	804,293,169 (L)	70.41% (L)

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of 1,142,276,007 Shares in issue as at 31 August 2024.

Save as disclosed above and to the best knowledge of the Directors, as at 31 August 2024, no person (other than the Directors or chief executives of the Company) had registered an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the 2019 Share Option Scheme, 2019 Share Award Scheme, 2024 Share Option Scheme and 2024 Share Award Scheme as disclosed under the section headed "SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES" in this annual report, at no time during the year under review was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

Our customers are primarily our students. For the year ended 31 August 2024, the goods and services (as the case may be) provided by our Group to our five largest customers accounted for less than 30% of our revenue.

Our suppliers primarily comprise Guangdong University of Finance and Economics, suppliers of textbooks, consumables and teaching materials and equipment, and construction companies for the maintenance and repair of campus facilities. For the year ended 31 August 2024, the purchases of goods and services (as the case may be) from our five largest suppliers accounted for less than 30% of our cost of revenue.

None of the Directors or any of their respective close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their respective holding of the Company's securities.

RETIREMENT BENEFIT SCHEMES

Employees located in China are covered by the mandatory social security schemes required by local practice and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC laws to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the respective regulatory requirements of each city. The PRC Government is directly responsible for the payment of the benefits to these employees.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance. The Group and its employees are each required to contribute 5.0% of the employees' relevant income to the mandatory provident fund scheme.

In Australia, the Group pays superannuation contributions to a number of Australian superannuation funds under relevant rules and regulations in Australian. The Group's Australian subsidiaries are required to contribute a minimum of 9.5% to 11.0% of the employee's ordinary time earnings for all qualifying employees in Australia to any complying super funds of employees' own choice.

In Singapore, the Group fulfils the Central Provident Fund obligations and contributes 7.5% to 17.0% of the ordinary wages for all qualifying employees in Singapore to set aside funds for retirement and address healthcare, home ownership, family protection, and asset enhancement.

In the PRC, Hong Kong, Australia and Singapore, no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) were used to reduce both years' level of contributions and no forfeited contribution was available at 31 August 2024 and 2023 to reduce future years' contributions.

EQUITY-LINKED AGREEMENTS

During the year ended 31 August 2024, other than the 2019 Share Option Scheme, the 2019 Share Award Scheme, the 2024 Share Option Scheme and the 2024 Share Award Scheme as set out in the section under "SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES", the Company has not entered into any equity-linked agreement.

CONNECTED TRANSACTIONS

Below is a summary of the partially-exempt continuing connected transactions entered into by the Group with its connected person (whose relationship with the Group is set out in note 38 to the consolidated financial statements contained herein) and subsisting during the year under review:

1. Lease of GBCA school premises

The Australia Lease (2019) Framework Agreement (as renewed)

During the years ended 31 August 2024 and 2023, GBCA leased certain properties in Australia for its school campus from Global Move and Triple Way. On 24 June 2019, GBCA, Global Move and Triple Way entered into the Australia Lease (2019) Framework Agreement, pursuant to which Global Move and Triple Way agreed to enter into leases with GBCA in respect of properties in the central business district in Melbourne, Australia (the "**Australian Properties**") for a term commencing on the Listing Date and expiring on 31 August 2021. Pursuant to the Australia Lease (2019) Framework Agreement, if GBCA does not give notice of a contrary intention and subject to compliance with any regulatory requirements (including the Listing Rules), the term shall be automatically renewed for a further term of three years upon expiry of its current term on 31 August 2021.

Pursuant to the written confirmation dated 30 August 2021 entered into among GBCA, Global Move and Triple Way and subject to compliance with any regulatory requirements (including the Listing Rules), the term of the Australia Lease (2019) Framework Agreement shall be automatically renewed upon the expiry of its then current term on 31 August 2021 for a further term of three years commencing from 1 September 2021 and expiring on 31 August 2024.

The Australian Properties leased to the Group pursuant to the Australia Lease (2019) Framework Agreement so automatically renewed are:

(a) 338 Queen Street, Melbourne

Lessee:	GBCA
Lessor:	Global Move
Property:	part of the ground floor and level 1 to level 3 of 338 Queen Street, Melbourne, VIC 3000, Australia
GFA:	722 sq.m.
Use:	GBCA's school campus
Term:	From 1 September 2021 to 31 August 2024

(b) 337–339 La Trobe Street, Melbourne

Lessee:	GBCA
Lessor:	Triple Way
Property:	part of the ground floor and level 1 and level 2 of 337–339 La Trobe Street (including the exterior of the building), Melbourne, VIC 3000, Australia
GFA:	508 sq.m.
Use:	GBCA's school campus
Term:	From 1 September 2021 to 31 August 2024

Reasons for the transactions

GBCA has occupied the Australian Properties since the school was established in 2015. These leases enable GBCA to continue to secure suitable premises at a fair market price. The continuation of these arrangements will avoid unnecessary disruptions to our students and our business, and avoid the costs associated with identifying other suitable premises, relocating our school, and re-complying with regulatory requirements on educational establishments for the new premises.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2024, the annual cap for the Australia Lease (2019) Framework Agreement is determined to be AUD510,000. The actual amount of the rent under the Australian Lease Framework Agreement for the year ended 31 August 2024 was approximately RMB2,155,000 (equivalent to approximately AUD458,000).

When determining the annual caps, our Directors have considered:

(i) the rental expenses incurred prior to our Listing under the existing rental arrangement for the Australian Properties leased to the Group; and

(ii) the rental expenses to be incurred after our Listing under the Australia Lease (2019) Framework Agreement with reference to the opinion given by our independent property valuer.

Pricing policy

The rents under the Australia Lease (2019) Framework Agreement are determined based on arm's length negotiations between the parties with reference to the prevailing market rental quotations of similar properties in the same vicinity from Independent Third Parties.

Listing Rules implications

The transactions under the Australian Lease Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

2. Lease of premises for Huashang Vocational College and office units for administrative uses

The PRC Lease (2021 Renewal) Framework Agreement

During the years ended 31 August 2024 and 2023, our Group leased certain properties in China from Mr. Liu, Ms. Chen, Mr. Liu Yung Kan and their respective associates. On 24 June 2019, our Company (for itself and on behalf of our subsidiaries) and Mr. Liu, Ms. Chen and Mr. Liu Yung Kan (for themselves and on behalf of their respective associates) (the "**Lessors**") entered into the PRC Lease (2019) Framework Agreement, pursuant to which the Lessors agreed to lease land, buildings and ancillary facilities in the PRC (the "**PRC Properties**") to our Group for a term commencing on the Listing Date and expiring on 31 August 2021. On 30 August 2021, the Group and the PRC Lessors enter into the PRC Lease (2021 Renewal) Framework Agreement for a term of three years commencing from 1 September 2021 and expiring on 31 August 2024, the terms of which are substantially the same as the PRC Lease (2019) Framework Agreement, save and except that (i) the scope of the PRC Properties to be leased under the PRC Lease (2021 Renewal) Framework Agreement has been extended so as to include those land in the PRC and the premises and buildings thereon that the PRC Lessors legally own or have the right to lease or grant licence thereto from time to time, including but not limited to those PRC Properties as specified in the PRC Lease (2021 Renewal) Framework Agreement instead of only covering those PRC Properties set out in the previous PRC Lease (2019) Framework Agreement; (ii) the scope is made clear to cover licensing and making available/sharing the right to use the PRC Properties in addition to renting and leasing the PRC Properties under the previous PRC Lease (2019) Framework Agreement; and (iii) the term will no longer be automatically renewed for a further term of three years upon expiry. The current PRC Properties leased to the Group are:

(a) 151 Guangshen Road and 86 Weishan North 2nd Road

Lessee:	Huashang Vocational College
Lessor:	Sun City Hotel
Property:	No. 151, Guangshen Road, Xintang Town, Zengcheng District, Guangzhou, China and No. 86, Weishan North 2nd Road, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	Shared spaces and common areas of 9,638 sq.m.
Use:	Facilities of Huashang Hospitality Management School, used for trainings and internships as scheduled from time to time

(b) *Unit 418 at Sun City Hotel*

Lessee: Woguan Education

Lessor: Sun City Hotel

Property: Unit 418, Sun City Hotel, No. 151 Guangshen Avenue, Xintang Town, Zengcheng District, Guangzhou, China

GFA: 40 sq.m.

Use: Office space

(c) *Unit 409 at Sun City Hotel*

Lessee: Guangzhou Zhiheng Education

Lessor: Sun City Hotel

Property: Unit 409, Sun City Hotel, No. 151 Guangshen Avenue, Xintang Town, Zengcheng District, Guangzhou, China

GFA: 40 sq.m.

Use: Office space

(d) *Unit 408 at Sun City Hotel*

Lessee: Guangzhou Huajia Renovation Co., Ltd.

Lessor: Sun City Hotel

Property: Unit 408, Sun City Hotel, No. 151 Guangshen Road, Xintang Town, Zengcheng District, Guangzhou, China

GFA: 20 sq.m.

Use: Office space

(e) *Administrative office, 3rd Floor of Sun City Hotel*

Lessee:	Sun City Development
Lessor:	Sun City Hotel
Property:	Administrative office, 3rd Floor, Sun City Hotel, No. 151 Guangshen Road, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	30 sq.m.
Use:	Office space

(f) *Unit 414 at Sun City Hotel*

Lessee:	Huagang Enterprise Management
Lessor:	Sun City Hotel
Property:	Unit 414, Sun City Hotel, No. 151 Guangshen Road, Xintang Town, Zengcheng District, Guangzhou, PRC
GFA:	20 sq.m.
Use:	Office space

(g) *Unit 411 at Sun City Hotel*

Lessee:	Xinyue Trading
Lessor:	Sun City Hotel
Property:	Unit 411, Sun City Hotel, No. 151 Guangshen Road, Xintang Town, Zengcheng District, Guangzhou, PRC
GFA:	20 sq.m.
Use:	Office space

(h) *Unit 1, 2nd Floor, No. 153 Guangshen Middle Road*

Lessee:	Guangzhou Medical Aesthetic Science and Technology Development Co., Ltd
Lessor:	Sun City Hotel
Property:	Unit 1, 2nd Floor, No. 153 Guangshen Middle Road, Xintang Town, Zengcheng District, Guangzhou, PRC
GFA:	400 sq.m.
Use:	Office space

(i) *Unit 2, 3rd Floor, No.153 Guangshen Middle Road*

Lessee:	Huawei Education
Lessor:	Sun City Hotel
Property:	Unit 2, 3rd Floor, No.153 Guangshen Middle Road, Xintang Town, Zengcheng District, Guangzhou, PRC
GFA:	400 sq.m.
Use:	Office space

(j) *Unit 1, 3rd Floor, No.153 Guangshen Middle Road*

Lessee:	Guangzhou Zhonghui Digital Technology Co., Ltd.
Lessor:	Sun City Hotel
Property:	Unit 1, 3rd Floor, No.153 Guangshen Middle Road, Xintang Town, Zengcheng District, Guangzhou, PRC
GFA:	400 sq.m.
Use:	Office space

(k) *No.153 Guangshen Middle Road*

Lessee:	Huashang Technical School
Lessor:	Sun City Hotel
Property:	No.153 Guangshen Middle Road, Xintang Town, Zengcheng District, Guangzhou, PRC
GFA:	8,589.55 sq.m.
Use:	Office space

Reasons for the transactions

Huashang Hospitality Management School, the school within Huashang Vocational College, and our certain subsidiaries occupied the PRC Properties during the years ended 31 August 2024 and 2023. The premises described in paragraphs (a) above form part of the learning facilities of Huashang Hospitality Management School, providing space for trainings, internships or accommodation. The premises described in paragraphs (b) to (k) above were office units used by certain of our subsidiaries for administrative purposes.

The lease of these premises allows us to secure suitable premises at a fair market value. The continuation of these lease arrangements will avoid unnecessary disruptions to our students and our business, and avoid the costs associated with identifying other suitable premises and relocating certain facilities of our schools.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2024, the annual cap for the PRC Lease (2021 Renewal) Framework Agreement is determined to be RMB2,058,000. The actual amount of the rent under the PRC Lease Framework Agreement for the year ended 31 August 2024 was approximately RMB995,000.

When determining the annual caps, our Directors have considered the rental expenses incurred prior to our Listing under the existing rental arrangement for the PRC Properties leased to the Group and the rental expenses to be incurred after our Listing under the PRC Lease (2021 Renewal) Framework Agreement with reference to the opinion given by our independent property valuer.

Pricing policy

The rents under the PRC Lease (2021 Renewal) Framework Agreement are determined based on arm's length negotiations between the parties with reference to the prevailing market rental quotations of similar properties with reference to the above arrangements in the same vicinity from Independent Third Parties.

Listing Rules implications

The transactions under the PRC Lease (2021 Renewal) Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

3. Procurement of hotel services

The Hotel Service (2021 Renewal) Framework Agreement

On 24 June 2019, our Company (for itself and on behalf of its subsidiaries) and Sun City Hotel entered into the Hotel Service (2019) Framework Agreement, pursuant to which Sun City Hotel will (i) provide to our Group various hotel services, which are accommodation, catering, and meeting and conference services and (ii) provide course materials to Huashang Hospitality Management School (the "**Hotel Services**") for a term commencing on the Listing Date and expiring on 31 August 2021. On 30 August 2021, the Company (for itself and on behalf of its subsidiaries) and Sun City Hotel entered into the Hotel Service (2021 Renewal) Framework Agreement for a term commencing on 1 September 2021 and expiring on 31 August 2024, the terms of which are substantially the same as the Hotel Service (2019) Framework Agreement.

Reasons for the transactions

During the years ended 31 August 2024 and 2023, Sun City Hotel had provided the Hotel Services for our students, staff and guests participating in our schools' activities (including school celebrations and academic conferences) and for the teaching operations of Huashang Hospitality Management School. In view of the reliability of the Hotel Services provided by Sun City Hotel, the proximity of Sun City Hotel to our schools and the resulting convenience for our guests, students and teaching staff, the procurement of the Hotel Services is in line with the business and economic interests of our Group.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2024, the annual cap for the Hotel Service (2021 Renewal) Framework Agreement is determined to be RMB6,976,000. The actual amount of the total cost of the Hotel Services for the year ended 31 August 2024 was approximately RMB1,851,000.

When determining the annual caps, our Directors have considered:

(i) the aforementioned historical amounts;

(ii) the expected volume of our students, staff and guests participating in, and the number and scale of, our schools' activities (including school celebrations and academic conferences) in the relevant years; and

(iii) the expected amount of course materials Huashang Hospitality Management School will need for its teaching operations in the relevant years.

Pricing policy

The fees for the Hotel Services shall be determined after arm's length negotiations between the parties with reference to the type of hotel services required and the estimated number of guests involved in a particular event. The service fees and calculation method shall be agreed between the parties based on the specific type of services provided in each transaction. In all instances, the fees for the Hotel Services shall be based on comparable market rates charged by Independent Third Parties for similar hotel services with comparable proximity. The terms shall be no less favourable to us than those which our Group could obtain from Independent Third Parties with comparable proximity.

Listing Rules implications

The transactions under the Hotel Service (2021 Renewal) Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

4. Purchase, repair, and servicing of our vehicles

The Vehicle Service (2021 Renewal) Framework Agreement

On 24 June 2019, our Company (for itself and on behalf of its subsidiaries) and Weijia Vehicle entered into the Vehicle Service (2019) Framework Agreement, pursuant to which Weijia Vehicle will provide maintenance and repair services for the vehicles owned by our two schools and assist in our procurement of new vehicles (the "**Vehicle Services**") for a term commencing on the Listing Date and expiring on 31 August 2021. On 30 August 2021, the Company (for itself and on behalf of its subsidiaries) and Weijia Vehicle entered into the Vehicle Service (2021 Renewal) Framework Agreement for a term commencing on 1 September 2021 and expiring on 31 August 2024, the terms of which are substantially the same as the Vehicle Service (2019) Framework Agreement.

Reasons for the transactions

During the year ended 31 August 2022, Weijia Vehicle had provided the Vehicle Services to our Group. In view of the reliability of the Vehicle Services provided by Weijia Vehicle and its proximity to our schools, the procurement of the Vehicle Services is in line with the business and economic interests of our Group.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2024, the annual cap for the Vehicle Service (2021 Renewal) Framework Agreement is determined to be RMB806,000. No costs related to Vehicle Services were incurred for the year ended 31 August 2024 and 2023.

When determining the annual caps, our Directors have considered:

(i) the aforementioned historical amounts; and

(ii) our anticipated needs for the Vehicle Services in the relevant years with reference to the age of our vehicles and our anticipated replacement schedule.

Pricing policy

The fees for the Vehicle Services shall be determined after arm's length negotiations between the parties with reference to the nature of the services and type of vehicles involved. The service fees and calculation method shall be agreed between the parties based on the specific type of services provided in each transaction. In all instances, the fees for the Vehicle Services shall be based on comparable market rates available to us from Independent Third Parties for similar services. The terms shall be no less favourable to us than those which our Group could reasonably obtain from Independent Third Parties.

5. Procurement of travel agent services

The Travel (2021 Renewal) Framework Agreement

On 24 June 2019, our Company (for itself and on behalf of its subsidiaries) and Yizhong Travel entered into the Travel (2019) Framework Agreement, pursuant to which Yizhong Travel, as our travel agent, would assist us in making travel arrangements such as flights, ground transport and hotel reservations (the "**Booking Services**") for the staff and teachers of our schools when they travel for work purposes for a term commencing on the Listing Date and expiring on 31 August 2021. On 30 August 2021, the Company (for itself and on behalf of its subsidiaries) and Yizhong Travel entered into the Travel (2021 Renewal) Framework Agreement, for a term commencing on 1 September 2021 and expiring on 31 August 2024, the terms of which are substantially the same as the Travel (2019) Framework Agreement.

Reasons for the transactions

During the years ended 31 August 2024 and 2023, Yizhong Travel had provided the Booking Services to our Group. In view of its reliability and understanding of our business needs acquired through years of cooperation, the procurement of the Booking Services is in line with the business and economic interests of our Group.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2024, the annual cap for the Travel (2021 Renewal) Framework Agreement is determined to be RMB855,000. The actual amount of the total cost of the Booking Services of the Travel (2021 Renewal) Framework Agreement for the year ended 31 August 2024 was approximately RMB845,000.

6. Technical School Arrangements

A. Technical School Trademark (2021 Renewal) Agreement

On 30 August 2021, Sun City Development and Mr. Liu Yung Kwong (for himself and on behalf of his associates) entered into the Technical School Trademark (2021 Renewal) Agreement, pursuant to which Sun City Development granted Mr. Liu Yung Kwong and his associates (which include Huashang Technical School) rights to use the ‘ ’ trademark (the "**Huashang Trademark**") for the sole purpose of vocational training in consideration for an annual licensing fee of 2% of operating profits of Huashang Technical School, subject to the annual cap of RMB16,664,000, RMB25,445,000 and RMB36,359,000 for the years ended 31 August 2022, 31 August 2023 and 31 August 2024, respectively, in respect of the transactions contemplated under the Technical School Trademark (2021 Renewal) Agreement, Technical School Lease (2021 Renewal) Framework Agreement and Property Management (2021 Renewal) Framework Agreement, for a term commencing on 1 September 2021 and expiring on 31 August 2024, the terms of which are substantially the same as the Technical School Trademark (2019) Agreement, save and except that (i) the counterparty of the Technical School Trademark (2021 Renewal) Agreement has been changed from Huashang Technical School to Mr. Liu Yung Kwong, who is the ultimate controlling and majority shareholder of Huashang Technical School before the Group's completion of acquisition, and (ii) the trade mark licensees (i.e. persons whom are granted the right to use the Huashang Trademark) has been expanded from Huashang Technical School to Mr. Liu Yung Kwong and his associates from time to time.

B. Technical School Lease (2021 Renewal) Framework Agreement

On 30 August 2021, the Company (for itself and on behalf of its subsidiaries) and Mr. Liu Yung Kwong (for himself and on behalf of his associates) entered into the Technical School Lease (2021 Renewal) Framework Agreement, pursuant to which Huashang College and Huashang Vocational College will lease the following property (collectively "**Technical School Premises**") to Mr. Liu Yung Kwong and his associates from time to time, the terms of which are substantially the same as the Technical School Lease (2019) Agreement, save and except that (i) the scope of the Technical School Premises to be leased under the Technical School Lease (2021 Renewal) Framework Agreement has been extended so as to include those land in the PRC and the premises, properties and facilities thereon that the Group legally owns or has the right to lease or grant licence thereto from time to time, including but not limited to those Technical School Premises as specified in the Technical School Lease (2021 Renewal) Framework Agreement (including two new leases in respect of the Jiangmen Property and Zhaoqing Property) instead of only covering Zengcheng Property set out in the previous Technical School Lease (2019) Agreement; (ii) the scope is made clear to cover licensing and making available/sharing the right to use the Technical School Premises in addition to renting and leasing the Technical School Premises under the previous Technical School Lease (2019) Agreement; (iii) the counterparty of the Technical School Lease (2021 Renewal) Framework Agreement has been changed from Huashang Technical School to Mr. Liu Yung Kwong, who is the ultimate controlling and majority shareholder of Huashang Technical School before the Group's completion of acquisition; and (iv) the scope of lessees has been expanded from Huashang Technical School to Mr. Liu Yung Kwong and his associates from time to time. Further details of the Technical School Premises contemplated to be leased as specified in the Technical School Lease (2021 Renewal) Framework Agreement are as follows:

I) *Zengcheng Property*

Lessor:	Huashang Vocational College
Term:	1 September 2021 and expiring on 31 August 2024
Property:	Zengcheng Property
GFA:	21,095 sq.m.
Use:	Huashang Technical School's campus

II) *Jiangmen Property*

Lessor:	Huashang Vocational College
Term:	1 September 2021 and expiring on 31 August 2024
Property:	Jiangmen Property
GFA:	17,037 to 84,368 sq.m.
Use:	Huashang Technical School's campus

III) *Zhaoqing Property*

Lessor:	Huashang College
Term:	1 September 2021 and expiring on 31 August 2024
Property:	Zhaoqing Property
GFA:	21,623 to 52,052 sq.m.
Use:	Huashang Technical School's campus

C. *Property Management (2021 Renewal) Framework Agreement*

On 30 August 2021, Yixiang Property Management, and Mr. Liu Yung Kwong (for himself and on behalf of his associates) entered into the Property Management (2021 Renewal) Framework Agreement, pursuant to which Yixiang Property Management will provide property management services to Mr. Liu Yung Kwong and his associates from time to time in respect of the certain premises (described below), the terms of which are substantially the same as the Property Management (2019) Agreement, save and except that (i) the scope of the premises in respect of which the property management services are to be provided under the Property Management (2021 Renewal) Framework Agreement has been extended to include those land in the PRC and the premises, properties and facilities thereon that Mr. Liu Yung Kwong and his associates from time to time legally own or have the right to use from time to time, including but not limited to those premises as specified in the Property Management (2021 Renewal) Framework Agreement (namely Zengcheng Property, Huizhi Property, Jiangmen Property and Zhaoqing Property) instead of only covering Zengcheng Property set out in the Property Management (2019) Agreement; (ii) the counterparty of the Property Management (2021 Renewal) Framework Agreement has been changed from Huashang Technical School to Mr. Liu Yung Kwong, who is the ultimate controlling and majority shareholder of Huashang Technical School, and (iii) the scope of service recipients has been expanded from Huashang Technical School to Mr. Liu Yung Kwong and his associates from time to time. Further details of services contemplated to be provided in respect of those premises as specified in the Property Management (2021 Renewal) Framework Agreement are as follows:

(I) Zengcheng Property

Term:	1 September 2021 and expiring on 31 August 2024
Property:	Zengcheng Property
GFA:	21,095 sq.m.
Service:	Include apartment management, cleaning services, maintenance of plant, replacement and repair of furniture and facilities and security service

(II) Jiangmen Property

Term:	1 September 2021 and expiring on 31 August 2024
Property:	Jiangmen Property
GFA:	17,037 to 84,368 sq.m.
Service:	Include apartment management, cleaning services, maintenance of plant, replacement and repair of furniture and facilities and security service

(III) Zhaoqing Property

Term:	1 September 2021 and expiring on 31 August 2024
Property:	Zhaoqing Property
GFA:	21,623 to 52,052 sq.m.
Service:	Include apartment management, cleaning services, maintenance of plant, replacement and repair of furniture and facilities and security service

(IV) Huizhi Property

Term:	1 September 2021 and expiring on 31 August 2024
Property:	Huizhi Property
GFA:	78,344 sq.m.
Service:	Include apartment management, cleaning services, maintenance of plant, replacement and repair of furniture and facilities and security service

Reasons for the transactions

To meet its growing business needs, Huashang Technical School would like to increase the use of the Jiangmen Property and Zhaoqing Property.

The Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Technical School Trademark (2021 Renewal) Agreement, Technical School Lease (2021 Renewal) Framework Agreement and Property Management (2021 Renewal) Framework Agreement are in the interest of the Group, as they will generate a steady stream of income at a fair market rate by (i) monetising the Huashang Trademark in the education sector, (ii) facilitating the transition subsequent to the disposal and (iii) recovering part of our fixed cost of property management services.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2024, the annual cap for the Technical School Trademark (2021 Renewal) Agreement, Technical School Lease (2021 Renewal) Framework Agreement and Property Management (2021 Renewal) Framework Agreement are determined to be RMB36,359,000. The actual amount of the total rental income of the Technical School Lease (2021 Renewal) Framework Agreement was nil for the year and the actual amount of the total management fee of the Property Management (2021 Renewal) Framework Agreement was approximately RMB6,116,000.

When determining the annual caps, our Directors considered:

(i) in respect of the Technical School Trademark (2021 Renewal) Agreement, the historical amounts under the Technical School Trademark (2019) Agreement and the historical and the expected annual gross revenue of Huashang Technical School, the expected primary user of the Huashang Trademark;

(ii) in respect of the Technical School Lease (2021 Renewal) Framework Agreement and Property Management (2021 Renewal) Framework Agreement, the expanded scope under the Technical School Lease (2021 Renewal) Framework Agreement and Property Management (2021 Renewal) Framework Agreement in respect of the addition of the Jiangmen Property, Zhaoqing Property and Huizhi Property, the fee arrangements contemplated under such agreements, and the estimated annual maximum amount of total value of right-of-use asset in respect of the properties contemplated to be leased under the Technical School Lease (2021 Renewal) Framework Agreement with reference to the relevant information from an independent property valuer.

Pricing policy

The licensing fee payable for the Huashang Trademark is determined following arm's length negotiations between the parties with reference to the historical and the expected annual gross revenues of Huashang Technical School, the primary user of the Huashang Trademark.

The aggregate fees under the Technical School Lease (2021 Renewal) Framework Agreement and Property Management (2021 Renewal) Framework Agreement were determined based on arm's length negotiations between the parties with reference to (i) the prevailing market rates of rent for similar premises in the same vicinity used for similar purposes and (ii) the prevailing market rates of various property management services for premises in the same vicinity used for similar purposes, on terms no less favourable from the perspective of the Group than those offered to Independent Third Parties.

Listing Rules implications

The transactions under the framework agreements under "6. Technical School Arrangements" are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

APPLICATION FOR WAIVERS

We have applied for, and the Stock Exchange has granted us, waivers from strict compliance with the announcement requirements under the Listing Rules in respect of the partially-exempt continuing connected transactions described above.

Save for the requirements relating to continuing connected transactions for which a written waiver by the Stock Exchange has been granted, our Company has complied with the relevant requirements pursuant to Chapter 14A of the Listing Rules.

For details of the aforesaid continuing connected transactions and the waiver, please refer to the Prospectus.

STRUCTURED CONTRACTS

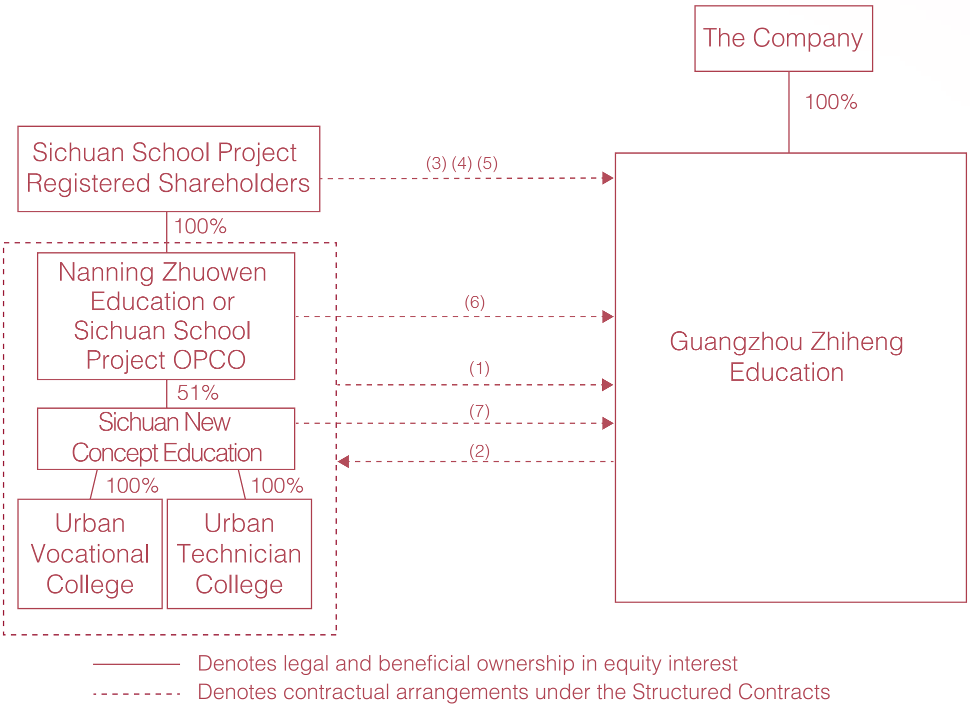
A. Background and overview

The Group has entered into a series of agreements with, among others, the Sichuan School Project OPCO Group and Guangdong Technical School Project OPCO Group that constitute the Structured Contracts, through which the Group will have effective control over each of the OPCO Groups, and will enjoy the economic benefits generated by each of the OPCO Groups. The following summarised generally the status of the Structured Contracts adopted by the Group given the PRC legal restriction imposed on the shareholding structure over the business the Group is engaging. For further details of the Structured Contracts, please refer to the announcements of the Company dated (in respect of the Sichuan School Project OPCO Group) 4 December 2020, 18 December 2020, 30 December 2020, 14 January 2021, 20 May 2021, and (in respect of the Guangdong Technical School Project OPCO Group) 14 December 2021, 27 January 2022 and 14 February 2022 ("**Structured Contracts Announcements**").

The Sichuan School Project OPCO Group and the Guangdong Technical School Project OPCO Group are education providers in the PRC. The PRC laws and regulations generally restrict foreign ownership in the private education industry in the PRC and currently restrict the operation of higher education institutions to sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. In order to maintain the OPCO Groups' business operations while complying with the PRC laws and regulations mentioned above, Guangzhou Zhiheng Education, the Registered Shareholders and each of the members of the respective OPCO Groups have entered into the Structured Contracts to enable the economic benefits of the business of each of the OPCO Groups to flow into Guangzhou Zhiheng Education, to enable the consolidation of the financial results of each of the OPCO Groups in the Group's consolidated accounts, and to enable Guangzhou Zhiheng Education to gain effective control over each of the OPCO Groups.

The following simplified diagram illustrates the flow of economic benefits from Sichuan School Project OPCO Group and Guangdong Technical School Project OPCO Group to the Group stipulated under the Structured Contracts:

Sichuan School Project OPCO Group:



Notes:

1. Payment of service fees

2. Provision of exclusive technical and management consultancy services

3. Exclusive call option to purchase all or part of the direct and/or indirect equity interest and/or school sponsor's interest in the Sichuan School Project OPCO Group

4. Entrustment of shareholders' rights including shareholders' power of attorney

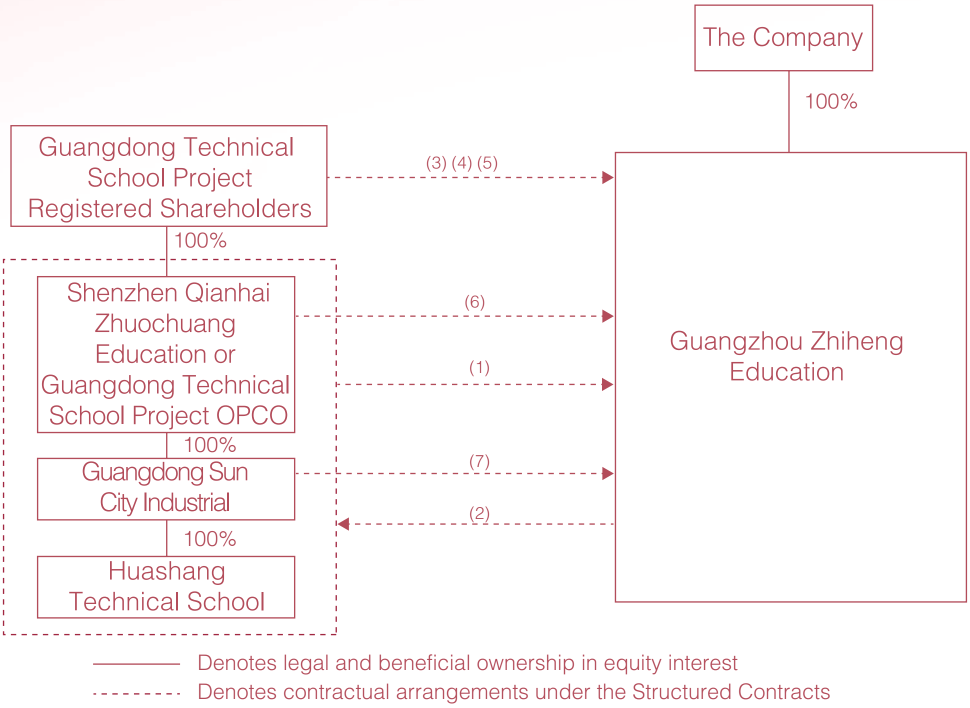
5. Pledge of equity interest by the Sichuan School Project Registered Shareholders of their interest in the Sichuan School Project OPCO

6. Pledge of equity interest by the Sichuan School Project OPCO of its interest in Sichuan New Concept Education

7. Entrustment of school sponsors' rights and council members' rights in Urban Technician College and Urban Vocational College including school sponsors' power of attorney and council members' power of attorney

8. According to PRC laws and regulations, entities and individuals who establish private schools are commonly referred to as "school sponsors" instead of "owners" or "shareholders"

Guangdong Technical School Project OPCO Group:



Notes:

1. Payment of service fees

2. Provision of exclusive technical and management consultancy services

3. Exclusive call option to purchase all or part of the direct and/or indirect equity interest and/or school sponsor's interest in the Guangdong Technical School Project OPCO Group

4. Entrustment of shareholders' rights including shareholders' power of attorney

5. Pledge of equity interest by the Guangdong Technical School Project Registered Shareholders of their interest in the Guangdong Technical School Project OPCO

6. Pledge of equity interest by the Guangdong Technical School Project OPCO of its interest in Guangdong Sun City Industrial

7. Entrustment of school sponsors' rights and directors' rights in Huashang Technical School including school sponsors' power of attorney and directors' power of attorney

8. According to PRC laws and regulations, entities and individuals who establish private schools are commonly referred to as "school sponsors" instead of "owners" or "shareholders".

B. Summary of material terms of the Structured Contracts

The Group has entered into a set of structured contracts in respect of each of the Sichuan School Project OPCO Group and Guangdong Technical School Project OPCO Group, on terms that are substantially similar, save that the parties to the Sichuan School Project Structured Contracts and the Guangdong Technical School Project Structured Contracts are different (as illustrated by the respective diagrams above). A summary of the materials terms of the Structured Contracts is set out below:

(1) Business Cooperation Agreement

Pursuant to the respective Business Cooperation Agreement, Guangzhou Zhiheng Education shall provide, among others, technical services, management support services and consulting services necessary for conducting the private education business, and in return, the OPCO Groups shall agree to make payments accordingly (for the avoidance of doubt, the Sichuan School Project OPCO Group and the Guangdong Technical School Project OPCO Group are governed by two separate sets of Structured Contracts with substantially similar terms and the below summary shall, to the extent applicable, refer to the relevant agreement and parties under the relevant set of Structured Contracts).

To ensure the due performance of the Structured Contracts, among others, the OPCO Groups shall comply and procure any of its subsidiaries to comply with the obligations as prescribed under the respective Business Cooperation Agreement.

Further, the Registered Shareholders and the OPCO Groups shall undertake that, without the prior written consent of Guangzhou Zhiheng Education or its designated party, the Registered Shareholders and the OPCO Groups shall not conduct or cause to conduct any activity or transaction which may have any actual impact (i) on the assets, business, staff, obligations, rights or operations of the relevant OPCO Group or (ii) on the ability of the Registered Shareholders and the relevant OPCO Groups to perform the obligations under the relevant Structured Contracts.

Furthermore, each of the Registered Shareholders under the respective Business Cooperation Agreement shall undertake to Guangzhou Zhiheng Education that, unless with the prior written consent of Guangzhou Zhiheng Education, the Registered Shareholders (severally or jointly) shall not (i) directly or indirectly engage, participate in, conduct, acquire or hold any business or activities which compete or may potentially compete with any of the relevant OPCO Group and its subsidiaries (the "**Competing Business**"), (ii) use information obtained from the relevant OPCO Groups or its subsidiaries for the Competing Business, and (iii) obtain any benefit from any Competing Business. The Registered Shareholders further consents and agrees that, in the event that the Registered Shareholders (severally or jointly) directly or indirectly engage, participate in or conduct any Competing Business, Guangzhou Zhiheng Education and/or other entities as designated by the Company shall be granted an option to require the entity engaging in the Competing Business to enter into an arrangement similar to that of the Structured Contracts. If Guangzhou Zhiheng Education does not exercise such option, the Registered Shareholders shall cease the operation of the Competing Business within a reasonable time.

(2) Exclusive Technical Service and Management Consultancy Agreement

Pursuant to the respective Exclusive Technical Service and Management Consultancy Agreement, Guangzhou Zhiheng Education shall provide exclusive technical services and exclusive management consultancy services to each of the OPCO Groups.

In consideration of the technical and management consultancy services provided by Guangzhou Zhiheng Education, members of the OPCO Groups shall pay Guangzhou Zhiheng Education a service fee equal to all of their respective amounts of surplus from operations (after deducting all costs, expenses, taxes, losses from the previous year (if required by the law), the legally compulsory development fund of the respective school (if required by the law), and other statutory fees (if required by law)) and (for the Sichuan School Project OPCO Group, multiplied by the proportion of the direct and/or indirect interest of the Sichuan School Project Registered Shareholders in the Sichuan School Project OPCO Group; for the Guangdong Technical School Project OPCO Group, multiplied by the proportion of the direct and/or indirect interest of the Guangdong Technical School Project Registered Shareholders in the Guangdong Technical School Project OPCO Group) in accordance with the terms of the respective Exclusive Technical Service and Management Consultancy Agreement.

(3) Exclusive Call Option Agreement

Under the respective Exclusive Call Option Agreement, the Registered Shareholders shall irrevocably grant Guangzhou Zhiheng Education or its designated purchaser the exclusive right to purchase all or part of the direct and/or indirect equity interest and/or school sponsor's interest in the relevant OPCO Group (the "**Equity Call Option**"). The purchase price payable by Guangzhou Zhiheng Education or its designated purchaser in respect of the transfer of such school sponsor's interest or equity interest upon exercise of the Equity Call Option shall be the lowest price permitted under the PRC laws and regulations. Guangzhou Zhiheng Education or its designated purchaser shall have the right to purchase such proportion of the school sponsor's interest and/or equity interest in the relevant OPCO Group as it decides.

In the event that the PRC laws and regulations allow Guangzhou Zhiheng Education or other foreign-owned entities designated by the Company to directly hold all or part of the school sponsor's interest and/or the equity interest in the relevant OPCO Group and operate private education business in the PRC, Guangzhou Zhiheng Education shall issue the notice of exercise of the Equity Call Option as soon as practicable, and the percentage of school sponsor's interest and/or equity interest purchased upon exercise of the Equity Call Option shall not be lower than the maximum percentage then allowed to be held by Guangzhou Zhiheng Education or other foreign-owned entities designated by the Company under the PRC laws and regulations.

(4) *Shareholders' Rights Entrustment Agreement*

Under the respective Shareholders' Rights Entrustment Agreement, the relevant Registered Shareholders shall irrevocably authorize and entrust Guangzhou Zhiheng Education to exercise all of their rights as a shareholder of Sichuan School Project OPCO or Guangdong Technical School Project OPCO (as the case may be), and the Sichuan School Project OPCO or Guangdong Technical School Project OPCO (as the case may be) shall irrevocably authorise and entrust Guangzhou Zhiheng Education to exercise all of its rights as a shareholder of the relevant target company to the extent permitted by the PRC laws. Please refer to the Structured Contracts Announcements for details of the rights.

In addition, the Registered Shareholders and the OPCOs shall irrevocably agree that (i) Guangzhou Zhiheng Education may delegate its rights under the Share-holders' Rights Entrustment Agreement to the directors of Guangzhou Zhiheng Education and its successor or its designated person, without prior notice to or consent from the relevant Registered Shareholders or the relevant OPCO; and (ii) any person as successor of civil rights of Guangzhou Zhiheng Education or liquidator by reason of subdivision, merger or liquidation of Guangzhou Zhiheng Education or other circumstances shall have authority to replace Guangzhou Zhiheng Education to exercise all rights under the respective Shareholders' Rights Entrustment Agreement.

(5) *Equity Pledge Agreement with the Registered Shareholders*

Under the respective Equity Pledge Agreement with the respective Registered Shareholders, the relevant Registered Shareholders shall unconditionally and irrevocably pledge and grant first priority security interests over all of their respective equity interest in the relevant OPCO, accordingly, together with all related rights thereto to Guangzhou Zhiheng Education as security for performance of the Structured Contracts and all direct, indirect or consequential damages and foreseeable loss of interest incurred by Guangzhou Zhiheng Education as a result of any event of default on the part of the Registered Shareholders and the relevant OPCO Group and all expenses incurred by Guangzhou Zhiheng Education as a result of enforcement of the obligations of the relevant Registered Shareholders and the relevant OPCO Group under the relevant Structured Contracts (the "**Secured Indebtedness A**").

In addition, without the prior written consent of Guangzhou Zhiheng Education, the Registered Shareholders shall not transfer the equity interest or create further pledge or encumbrance over the pledged equity interest.

And upon occurrence of any events of default as stated in the respective Equity Pledge Agreement with the respective Registered Shareholders, Guangzhou Zhiheng Education shall have the right to enforce the relevant Equity Pledge Agreement with the relevant Registered Shareholders by written notice to the relevant Registered Shareholders in one or more of the following ways:

(i) to the extent permitted under the PRC laws and regulations, Guangzhou Zhiheng Education can request the relevant Registered Shareholders to transfer all or part of their equity interest in the relevant OPCO to any entity or individual designated by Guangzhou Zhiheng Education at the lowest consideration permissible under the PRC laws and regulations, while the relevant Registered Shareholders shall irrevocably undertake that in the event that the consideration paid by Guangzhou Zhiheng Education or its designated purchaser for the transfer of all or part of the equity interest in the relevant OPCO exceeds RMB0, the relevant Registered Shareholders shall jointly pay such excess amount to Guangzhou Zhiheng Education or its designated purchaser;

(ii) sell the pledged equity interest by way of auction or at a discount and have priority in the entitlement to the sales proceeds; and/or

(iii) dispose of the pledged equity interest in other manner to be agreed between the relevant Registered Shareholders and Guangzhou Zhiheng Education subject to applicable laws and regulations.

(6) Equity Pledge Agreement with OPCOs

Under the respective Equity Pledge Agreement with the respective OPCO, the OPCOs shall unconditionally and irrevocably pledge and grant first priority security interests over all of its equity interest in the relevant target company (i.e. the company directly held by the OPCO which in turn holds the relevant schools), accordingly, together with all related rights thereto to Guangzhou Zhiheng Education as security for performance of the relevant Structured Contracts and all direct, indirect or consequential damages and foreseeable loss of interest incurred by Guangzhou Zhiheng Education as a result of any event of default on the part of the relevant OPCO Group and all expenses incurred by Guangzhou Zhiheng Education as a result of enforcement of the obligations of the relevant OPCO Group under the relevant Structured Contracts (the "**Secured Indebtedness B**").

In addition, without the prior written consent of Guangzhou Zhiheng Education, the OPCOs shall not transfer the equity interest or create further pledge or encumbrance over the pledged equity interest.

And upon occurrence of any events of default as stated in the respective Equity Pledge Agreement with OPCO, Guangzhou Zhiheng Education shall have the right to enforce the respective Equity Pledge Agreement with the relevant OPCO by written notice to the relevant OPCO in one or more of the following ways:

(i) to the extent permitted under the PRC laws and regulations, Guangzhou Zhiheng Education can request the relevant OPCO to transfer all or part of its equity interest in the relevant target company to any entity or individual designated by Guangzhou Zhiheng Education at the lowest consideration permissible under the PRC laws and regulations, while the relevant OPCO shall irrevocably undertake that in the event that the consideration paid by Guangzhou Zhiheng Education or its designated purchaser for the transfer of all or part of the equity interest in the relevant target company exceeds RMB0, OPCO shall pay such excess amount to Guangzhou Zhiheng Education or its designated purchaser;

(ii) sell the pledged equity interest by way of auction or at a discount and have priority in the entitlement to the sales proceeds; and/or

(iii) dispose of the pledged equity interest in other manner subject to applicable laws and regulations.

(7) School Sponsors' and Council Members' Entrustment Agreement/School Sponsor's and Directors' Entrustment Agreement

Under the School Sponsors' and Council Members' Entrustment Agreement/School Sponsor's and Directors' Entrustment Agreement, the relevant target company shall irrevocably authorize and entrust Guangzhou Zhiheng Education to exercise all its rights as school sponsor of the relevant schools to the extent permitted by the PRC laws.

In addition, the relevant target company and the relevant appointees irrevocably agrees that (i) Guangzhou Zhiheng Education has the right to delegate its right under the School Sponsors' and Council Members' Entrustment Agreement/School Sponsor's and Directors' Entrustment Agreement to the directors of Guangzhou Zhiheng Education or its designated person, without prior notice to or consent from the relevant target company and the relevant appointees; and (ii) any person as successor of civil rights of Guangzhou Zhiheng Education or liquidator by reason of subdivision, merger or liquidation of Guangzhou Zhiheng Education or other circumstances shall have authority to replace Guangzhou Zhiheng Education to exercise all rights under the School Sponsors' and Council Members' Entrustment Agreement/School Sponsor's and Directors' Entrustment Agreement.

(8) School Sponsors' Powers of Attorney

The relevant target company shall authorize and appoint Guangzhou Zhiheng Education, as its agent to act on its behalf to exercise or delegate the exercise of all its rights as school sponsor of the relevant schools.

Guangzhou Zhiheng Education shall have the right to further delegate the rights so delegated to the directors of Guangzhou Zhiheng Education or its designated person. The relevant target company shall irrevocably agree that the authorization and appointment in the School Sponsors' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of the relevant target company's subdivision, merger, bankruptcy, reorganisation and dissolution or other similar events. The School Sponsors' Powers of Attorney shall constitute a part of and incorporate terms of the School Sponsors' and Council Members' Entrustment Agreement/School Sponsor's and Directors' Entrustment Agreement.

(9) Council Members' Powers of Attorney/Appointee(s)' Powers of Attorney

Each of the Appointees shall authorize and appoint Guangzhou Zhiheng Education, as his/her agent to act on his/her behalf to exercise or delegate the exercise of all his/her rights as a council member of the relevant schools.

Guangzhou Zhiheng Education shall have the right to further delegate the rights so delegated to the directors of Guangzhou Zhiheng Education or its designated person. The relevant appointees shall irrevocably agree that the authorization and appointment provided in the Council Members' Powers of Attorney/Appointee(s)' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of his/her loss of or restriction on capacity, death or similar events. The Council Members' Powers of Attorney/Appointee(s)' Powers of Attorney shall constitute a part of and incorporate terms of the School Sponsors' and Council Members' Entrustment Agreement/School Sponsor's and Directors' Entrustment Agreement.

(10) Shareholders' Powers of Attorney

Each of the Registered Shareholders shall authorize and appoint Guangzhou Zhiheng Education as his or their agent to act on his or their behalf to exercise or delegate the exercise of all his or their rights as shareholders of the relevant OPCO, and the relevant OPCO shall irrevocably authorise and appoint Guangzhou Zhiheng Education as its agent to act on its behalf to exercise or delegate the exercise of all its rights as shareholder of the relevant target company.

Guangzhou Zhiheng Education shall have the right to further delegate the rights so delegated to the directors of Guangzhou Zhiheng Education or its designated person. Each of the Registered Shareholders and the relevant OPCO shall irrevocably agree that the authorization and appointment provided in the Shareholders' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of the loss of or restriction on capacity, death or other similar events of the relevant Registered Shareholders and/or subdivision, merger, winding up or other similar events of the relevant OPCO. The Shareholders' Powers of Attorney shall constitute a part of and incorporate terms of the Shareholders' Rights Entrustment Agreement.

(11) Spouse Undertakings

The spouse of each of the Registered Shareholders who is a married natural person shall execute a spouse undertaking to undertake that, among others:

(i) the relevant spouse has full knowledge of and has consented to the entering into of the relevant Structured Contracts by the relevant Registered Shareholders, and in particular, the arrangement as set out in the relevant Structured Contracts in relation to the restrictions imposed on the direct or indirect equity interest and/or school sponsors' interest in the relevant OPCO Group, pledge or transfer the direct or indirect equity interest in and/or school sponsors' interest in the relevant OPCO Group, or the disposal of the direct or indirect equity interest in and/or school sponsors' interest in the relevant OPCO Group in any other forms;

(ii) the relevant spouse acknowledges that the direct and/or indirect equity interest in the relevant OPCO Group and the rights attached thereon shall belong to the relevant Registered Shareholders and shall not constitute common assets with the spouse of the relevant Registered Shareholders. The relevant spouse shall not have interest in the relevant OPCO Group and shall not have any claim over those interest in the future;

(iii) the relevant spouse has not participated, is not participating and shall not, in the capacity of the spouse of the relevant Registered Shareholders, participate in the operation, management, liquidation, dissolution and other matters in relation to the relevant OPCO Group for whatever reasons (including the death or bankruptcy of the relevant Registered Shareholders or in case of divorce); and

(iv) any undertaking, confirmation, consent and authorization under the Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by death, loss of or restriction on capacity of the relevant spouse, divorce or other similar events.

For details of the Structured Contracts, please refer to the Structured Contracts Announcements.

C. Business activities of both OPCO Groups and their significance and financial contributions to the Group

The principal business activities of both the Sichuan School Project OPCO Group and the Guangdong Technical School Project OPCO Group are the provision of higher education and secondary vocational education services in the PRC.

Pursuant to the Structured Contracts, the Group obtains effective control over and derives the economic benefits from the OPCO Groups. The financial contributions of the OPCO Groups to the Group, in terms of revenue and total assets for the year ended/as at 31 August 2023 and 2022, which are consolidated into the Group's financial statements pursuant to the Structured Contracts, stated in note 2.1 to the consolidated financial statements contained in this annual report.

D. Regulatory framework

The Group currently operates the Urban Vocational College and Urban Technician College under the Sichuan School Project Structured Contracts and Huashang Technical School under the Guangdong Technical School Project Structured Contracts in the PRC as PRC laws and regulations generally restrict foreign ownership in the private education industry in the PRC. PRC laws and regulations currently restrict the operation of higher education institutions to Sino-foreign cooperation ownership, in addition to imposing qualification requirements on the foreign owners. The Group does not hold any equity interest in any of Urban Vocational College, Urban Technician College and Huashang Technical School. The Sichuan School Project Structured Contracts and Guangdong Technical School Project Structured Contracts, through which the Group obtains control over and derive the economic benefits from the OPCO Groups, have been narrowly tailored to achieve the Group's business purpose and minimize the potential conflict with relevant PRC laws and regulations.

(1) Higher education

According to the Negative List, higher education is restricted for foreign investors, and foreign investors are only allowed to invest in higher education through cooperation with a domestic party who shall play a dominant role in the Sino-foreign cooperation, meaning that (a) the principal or other chief executive officer of the schools shall be a PRC national; and (b) the representatives of the domestic party shall account for no less than half of the total members of the board of directors, the executive council or the joint administration committee of the Sino-foreign cooperative educational institution (the "**Foreign Control Restriction**"). The Group had fully complied with the Foreign Control Restriction in respect of each of Urban Vocational College, Urban Technician College and Huashang Technical School on the basis that (a) the principal of each of Urban Vocational College, Urban Technician College and Huashang Technical School is a PRC national; and (b) all the members of the board of directors are PRC nationals.

In relation to the interpretation of "Sino-foreign cooperation", pursuant to the Sino Foreign Regulation (《中華人民共和國中外合作辦學條例》) and its Implementation Regulations (《中華人民共和國中外合作辦學條例實施辦法》), the foreign investor in a Sino-foreign joint venture private school which provides higher education mainly for PRC students (a "**Sino-Foreign Joint Venture Private School**") must be a foreign educational institution with relevant qualification that provides high quality education (the "**Private School Qualification Requirements**"). Furthermore, pursuant to the Implementation Opinions of the Ministry of Education of the PRC on Encouraging and Guiding the Entry of Private Capital in the Field of Education and Promoting the Healthy Development of Private Education (《教育部關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》) (the "**Implementation Opinions**"), the foreign portion of the total investment in a Sino-Foreign Joint Venture Private School should be below 50% and the establishment of these schools is subject to the approval of education authorities at the provincial or national level.

Pursuant to the Sino-foreign Vocational Skills Training Measures (《中外合作職業技能培訓辦學管理辦法》), the foreign investor in a Sino-foreign technical school (a "**Sino-Foreign Technical School**") shall be a foreign education institution or a foreign vocational skills training institution with relevant qualification and high quality (the "**Technical School Qualification Requirements**", together with the "**Private School Qualification Requirements**", the "**Qualification Requirements**").

As at the date of this annual report, there are no implementation measures or specific guidance promulgated on the Qualification Requirements in accordance with the existing PRC laws. Therefore, it is currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant educational or human resources and social security authority that it meets the Qualification Requirements. Accordingly, due to the lack of implementing measures or specific guidance on the Sino-Foreign Regulation and its Implementation Regulations, including the Qualification Requirements, it is not practicable for the Group to seek to apply to reorganize education institutions of the OPCO Groups as a Sino-Foreign Joint Venture Private School and a Sino-Foreign Technical School.

(2) Updates on plan to comply with the Qualification Requirements

As disclosed in the circular of the Company dated 26 May 2021 and the announcement of the Company dated 14 December 2021, the Company has adopted a specific plan and has taken the following concrete steps which it reasonably believes are meaningful endeavors to demonstrate compliance with the Qualification Requirements. According to the interviews with the Education Department of Sichuan Province (四川省教育廳) and the Department of Human Resources and Social Security of Sichuan Province (四川省人力資源和社會保障廳) conducted in December 2020 and interviews with the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) conducted in November 2021 (the "**Interviews**"), there are no implementing measures or specific guidance on the Qualification Requirements and therefore the relevant authorities is unlikely to approve the application to convert the any of Urban Vocational College, Urban Technician College and Huashang Technical School to be a Sino-Foreign Joint Venture Private School or a Sino-Foreign Technical School at this stage.

As of the date of this annual report, the Group operates three private higher and vocational education institutions overseas, two in Melbourne, Australia and one in Singapore, respectively. For further details of our private higher and vocational education institutions overseas, please refer to the annual report of the Company for the year ended 31 August 2023 dated 27 December 2023.

(3) *Foreign Investment Law*

On 1 January 2020, the Foreign Investment Law passed by the second session of the thirteenth National People's Congress took effect. The Foreign Investment Law has replaced the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》) and the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (《中華人民共和國外資企業法》) to become the legal foundation for foreign investment in the PRC. The Implementation Regulations for the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations for the Foreign Investment Law**") was passed by the 74th Executive Session of the State Council on 12 December 2019 and was implemented with effect from 1 January 2020.

Conducting operations through structured contracts has been adopted by many PRC-based companies, including the Group, to obtain and maintain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions or prohibitions in the PRC. The Foreign Investment Law does not explicitly stipulate contractual arrangements as a form of foreign investment.

For the details of risks relating to the Foreign Investment Law, please refer to the section headed "Risk Factors in relation to the Structured Contracts — Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of the current corporate structure, corporate governance and business operations" in the circular of the Company dated 26 May 2021 and the announcement of the Company dated on 14 December 2021.

Although contractual arrangements currently are not specified as foreign investment under the Foreign Investment Law, the Structured Contracts may be regarded as invalid and illegal if the future laws, administrative regulations or provisions prescribed by the State Council define structured contracts as a form of foreign investment while the operation of higher education is still in the Negative List. As a result, the Group would not be able to operate both the OPCO Groups through the respective Structured Contracts and the Group would lose its rights to receive the economic benefits of both the OPCO Groups. In such case the financial results of both the OPCO Groups would no longer be consolidated into the Group's financial results and the Group would have to derecognize their assets and liabilities according to the relevant accounting standards. An investment loss would be recognized as a result of such derecognition.

Nevertheless, considering that a number of existing conglomerates are operating under contractual arrangements and some of which have obtained listing status abroad, the Directors are of the view that it is unlikely that the relevant regulations will take retrospective effect to require the relevant enterprises to remove the contractual arrangements.

(4) The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on 31 March 2023. The Overseas Listing Trial Measures will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarified that the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial Measures (i.e. 31 March 2023) shall be deemed as existing applicants (存量企業), or the Existing Applicants. Existing Applicants are not required to complete the filling procedures immediately, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

As at the date of this annual report, the Company's operations have not been affected by the Overseas Listing Trial Measures.

E. Risks associated with the Structured Contracts and actions taken to mitigate the risks

For risks associated with the Structured Contracts, please refer to the section headed "Risk factors in relation to the Structured Contracts" in the circular of the Company dated 26 May 2021 and announcements of the Company dated 4 December 2020 and14 December 2021 for details.

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Structured Contracts and compliance with the Structured Contracts:

(a) major issues arising from the implementation and compliance with the Structured Contracts or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

(b) the Board will review the overall performance of and compliance with the Structured Contracts at least once a year;

(c) the Company will disclose the overall performance and compliance with the Structured Contracts in its annual reports to update the Shareholders and potential investors;

(d) the Company and the Directors undertake to provide periodic updates in the Company's annual and interim reports regarding the Qualification Requirements and our status of compliance with the foreign investment law and its accompanying explanatory notes and the latest development of the foreign investment law and its accompanying explanatory notes, including the latest relevant regulatory development as well as the Group's plan and progress in acquiring the relevant experience to meet the Qualification Requirements; and

(e) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Structured Contracts, review the legal compliance of Guangzhou Zhiheng Education and both OPCO Groups to deal with specific issues or matters arising from the Structured Contracts.

The Group will continue to implement such measures before the Structured Contracts are unwound, with an aim to further enhance its control over the OPCO Groups. The Company is not aware of any non-performance of the Structured Contracts or non-compliance with such aforementioned measures as at the date of this annual report.

F. Material changes

During the year ended 31 August 2024, there is no material change in the Structured Contracts and/or the circumstances under which they were adopted.

G. Unwinding of the Structured Contracts

As at the date of this annual report, there has not been any unwinding of any of the Structured Contracts, nor has there been any failure to unwind any of the Structured Contracts when the restrictions that led to the adoption of the Structured Contracts are removed. In the event that the PRC regulatory environment changes and all of the Qualification Requirements, the foreign ownership restriction and the foreign control restriction are removed (and assuming there are no other changes in the relevant PRC laws and regulations), Guangzhou Zhiheng Education will exercise the respective Equity Call Option under the Exclusive Call Option Agreement to acquire the school sponsors' interests in the relevant schools and equity interest in the relevant target company and unwind the Structured Contracts accordingly as permitted by the applicable PRC laws and regulations at the relevant time.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS AND STRUCTURED CONTRACTS

The independent non-executive Directors have confirmed that the partially exempt continuing connected transactions and the Structured Contracts were entered into: (i) in the ordinary and usual course of the Group's business; (ii) in accordance with the terms of the respective agreements governing such transactions on terms that were fair and reasonable and in the interests of the Shareholders of the Company as a whole; and (iii) either on normal commercial terms or on terms no less favourable to the Group than those available to or from Independent Third Parties.

The independent non-executive Directors have reviewed the Structured Contracts and confirmed for the year ended 31 August 2024 that (i) the transactions carried out during the year ended 31 August 2024 have been entered into in accordance with the relevant provisions of the Structured Contracts and that the profit generated by the OPCO Groups has been substantially retained by the Group; (ii) no dividends or other distributions have been made by the OPCO Groups to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and (iii) any new contracts entered into, renewed or reproduced between the Group and the OPCO Groups during the year ended 31 August 2024 are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Shareholders as a whole.

The Company's independent auditor was engaged to report on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued an unqualified report containing its findings and conclusions in respect of the above continuing connected transactions (including the Structured Contracts) and confirmed that nothing has come to their attention in relation to the above continuing connected transactions (including the Structured Contracts) with regard to the matters set out in rule 14A.56 of the Listing Rules.

The Company's independent auditor has confirmed that, during the financial year ended 31 August 2024, the transactions carried out pursuant to the Structured Contracts have received the approval of the Directors, have been entered into in accordance with the relevant Structured Contracts and that no dividends or other distributions have been made by the OPCO Groups to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

Save as disclosed above, during the year ended 31 August 2024, the Group has not entered into or carried out any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

Save as disclosed under the section headed "Related Parties Disclosures" stated in note 38 to the consolidated financial statements contained in this annual report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 August 2024.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 August 2024 are set out in note 38 to the consolidated financial statements contained herein.

Other than the transactions set out in the section headed "CONNECTED TRANSACTIONS" in the Directors' Report, no related party transactions of the Company constitute connected transactions of the Company.

With regard to the related party transactions which constitute connected transactions or continuing connected transactions, the Company has complied with the annual review and disclosure requirements in accordance with Chapter 14A of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the period from the Listing Date and up to the date of this annual report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the period from the Listing Date and up to the date of this annual report.

EVENT AFTER REPORTING PERIOD

So far as the Directors are aware, there are no important events after 31 August 2024 and up to the date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Companies Ordinance) in relation to the Director's and officer's liability insurance is currently in force and was in force during the year ended 31 August 2024.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the period from the Listing Date and up to the date of this annual report.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 53 of this annual report.

DONATIONS

During the year ended 31 August 2024, the Group made charitable donations of approximately RMB2,763,000 (2023: RMB612,000).

AUDITOR

The consolidated financial statements for the year ended 31 August 2024 have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, who is proposed for reappointment at the forthcoming AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 August 2024, the Company was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

On behalf of the Board

Liu Yung Chau
Chairman

Hong Kong, 29 November 2024

Deloitte. 德勤

TO THE SHAREHOLDERS OF EDVANTAGE GROUP HOLDINGS LIMITED
中滙集團控股有限公司
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Edvantage Group Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 121 to 224, which comprise the consolidated statement of financial position as at 31 August 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessments of goodwill and intangible assets with indefinite useful life of a cash-generating unit ("CGU")	
We identified the impairment assessments of goodwill and intangible assets with indefinite useful life of a CGU with material impairment indicators ("**specific CGU's goodwill and intangible assets**") as at 31 August 2024 as a key audit matter because of the significant degree of estimates involved in the determining the value in use ("**VIU**") of these assets. As at 31 August 2024, the carrying amounts of the specific CGU's goodwill and intangible assets for Guangdong operation are RMB29,811,000 and RMB118,938,000, respectively, as disclosed in note 19 to the consolidated financial statement. As disclosed in note 19 to the consolidated financial statements, for the purpose of assessing impairment of the specific CGU's goodwill and intangible assets as at 31 August 2024, the VIU is determined based on the cash flow projection discounted to its present value and requires the use of key estimates include the discount rate, growth rate for student number, tuition fee, cost of revenue underlying the VIU calculation. Based on the management's assessment, no impairment charge in relation to the specific CGU's goodwill and intangible assets has been recognised for the year ended 31 August 2024.	Our procedures in relation to the impairment assessments of the specific CGU's goodwill and intangible assets included : • Understanding and evaluating the Group's methodology and assumptions used in determination of VIU of the CGU; • Evaluating the reliability of the cash flow projections prepared by management in prior year, by comparing them to the actual results in the current year and understanding the causes of any significant variances; • Involving our internal valuation expert to evaluate the appropriateness of the methodology and reasonableness of discount rate by benchmarking the discount rate against comparable entity; • Assessing the reasonableness of the key management's estimates adopted in the VIU calculation for impairment assessments with supporting documents; • Performing sensitivity analysis on the key inputs, including discount rate and growth rates for student number, to evaluate if any further impairment charges of specific CGU's goodwill and intangible assets are required to be made by the management.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Zhu Chen.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 November 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 August 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	6	**2,311,986**	1,972,982
Cost of revenue		**(1,187,842)**	(954,589)
Gross profit		**1,124,144**	1,018,393
Other income	7a	**130,065**	104,993
Interest income	7b	**25,798**	13,582
Other gains and losses	8	**(24,945)**	(40,003)
Selling and administrative expenses		**(413,847)**	(350,642)
Finance costs	9	**(32,221)**	(26,289)
Profit before taxation		**808,994**	720,034
Taxation	10	**(4,873)**	(1,232)
Profit for the year	11	**804,121**	718,802
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,800)**	1,782
Total comprehensive income for the year		**800,321**	720,584
Profit for the year attributable to			
— owners of the Company		**714,746**	618,370
— non-controlling interest		**89,375**	100,432
		804,121	718,802
Total comprehensive income for the year attributable to			
— owners of the Company		**710,946**	620,152
— non-controlling interest		**89,375**	100,432
		800,321	720,584
Earnings per share	14		
Basic *(RMB cents)*		**62.86**	56.19
Diluted *(RMB cents)*		**62.59**	56.14

Consolidated Statement of Financial Position

At 31 August 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**5,262,674**	4,928,748
Right-of-use assets	16	**765,700**	774,019
Investment properties	17	**130,300**	146,200
Goodwill	18	**135,542**	135,517
Intangible assets	18	**196,286**	196,166
Amount due from a non-controlling shareholder	38	**45,931**	57,663
Deposits and other receivables	21	**36,991**	74,492
Deposits paid for acquisition of property, plant and equipment		**37,979**	33,704
Deferred tax assets	30	**27,115**	24,489
		6,638,518	6,370,998
CURRENT ASSETS			
Inventories		**10,513**	9,859
Trade receivables, deposits, prepayments and other receivables	21	**116,708**	99,235
Financial assets at fair value through profit or loss ("**FVTPL**")	20	**213,707**	12,422
Bank balances, deposits and cash	22	**2,122,102**	2,002,779
		2,463,030	2,124,295
CURRENT LIABILITIES			
Contract liabilities	23	**1,575,884**	1,526,497
Trade payables	24	**54,624**	53,299
Other payables and accrued expenses	25	**397,936**	374,606
Dividend payable		**100,032**	—
Loan due to a shareholder	38	**36,471**	—
Amounts due to related parties	38	**2,784**	2,638
Income tax payable		**100,194**	97,932
Bank and other borrowings	26	**419,266**	478,034
Deferred income	27	**39,101**	33,464
Lease liabilities	28	**1,908**	5,985
		2,728,200	2,572,455
NET CURRENT LIABILITIES		**265,170**	448,160
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,373,348**	5,922,838

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Other payable	25	**44,000**	116,142
Bank and other borrowings	26	**1,252,939**	1,337,481
Deferred income	27	**71,072**	74,116
Lease liabilities	28	**5,364**	6,743
Deferred tax liabilities	30	**151,965**	153,028
		1,525,340	1,687,510
		4,848,008	4,235,328
CAPITAL AND RESERVES			
Share capital	29	**78,416**	78,347
Reserves		**3,987,342**	3,464,106
Equity attributable to owners of the Company		**4,065,758**	3,542,453
Non-controlling interests		**782,250**	692,875
		4,848,008	4,235,328

The consolidated financial statements on pages 121 to 224 were approved and authorised for issue by the board of directors on 29 November 2024 and are signed on its behalf by:

Mr. Liu Yung Chau
DIRECTOR

Ms. Chen Yuan, Rita
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 August 2024

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium RMB'000	Other reserve RMB'000 *(Note i)*	Property revaluation reserve RMB'000 *(Note ii)*	Shares held under share award scheme RMB'000 *(Note iii)*	Share award reserve RMB'000	Share option reserve RMB'000	Translation reserve RMB'000	Statutory surplus reserve RMB'000 *(Note iv)*	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 September 2022	74,195	882,928	194,428	4,467	(34,556)	6,712	14,732	(369)	469,122	1,363,503	2,975,162	592,443	3,567,605
Profit for the year	–	–	–	–	–	–	–	–	–	618,370	618,370	100,432	718,802
Other comprehensive income for the year	–	–	–	–	–	–	–	1,782	–	–	1,782	–	1,782
Total comprehensive income for the year	–	–	–	–	–	–	–	1,782	–	618,370	620,152	100,432	720,584
Dividends recognised as distribution *(Note 13)*	–	(59,168)	–	–	–	–	–	–	–	–	(59,168)	–	(59,168)
Issue of shares *(Note 29)*	4,151	(4,151)	–	–	–	–	–	–	–	–	–	–	–
Purchase of shares under share award scheme	–	–	–	–	–	–	–	–	–	–	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	–	2,545	3,754	–	–	–	6,299	–	6,299
Share awards vested	–	–	–	–	5,766	(5,510)	–	–	–	(256)	–	–	–
Share awards forfeited	–	–	–	–	–	(635)	–	–	–	635	–	–	–
Issue of shares upon exercise of share options *(Note 29)*	1	10	–	–	–	–	(3)	–	–	–	8	–	8
Share options forfeited	–	–	–	–	–	–	(105)	–	–	105	–	–	–
Transfer	–	–	–	–	–	–	–	–	80,173	(80,173)	–	–	–
At 31 August 2023	78,347	819,619	194,428	4,467	(28,790)	3,112	18,378	1,413	549,295	1,902,184	3,542,453	692,875	4,235,328
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**714,746**	**714,746**	**89,375**	**804,121**
Other comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,800)**	**–**	**–**	**(3,800)**	**–**	**(3,800)**
Total comprehensive (expense) income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,800)**	**–**	**714,746**	**710,946**	**89,375**	**800,321**
Dividends paid *(Note 13)*	**–**	**(92,193)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(92,193)**	**–**	**(92,193)**
Dividends declared *(Note 13)*	**–**	**(100,032)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(100,032)**	**–**	**(100,032)**
Issue of shares *(Note 29)*	**33**	**(33)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**3,053**	**415**	**–**	**–**	**–**	**3,468**	**–**	**3,468**
Share awards vested	**–**	**–**	**–**	**–**	**2,224**	**(2,892)**	**–**	**–**	**–**	**668**	**–**	**–**	**–**
Share awards forfeited	**–**	**–**	**–**	**–**	**–**	**(843)**	**–**	**–**	**–**	**843**	**–**	**–**	**–**
Issue of shares upon exercise of share options *(Note 29)*	**36**	**1,426**	**–**	**–**	**–**	**–**	**(346)**	**–**	**–**	**–**	**1,116**	**–**	**1,116**
Share options forfeited	**–**	**–**	**–**	**–**	**–**	**–**	**(1,544)**	**–**	**–**	**1,544**	**–**	**–**	**–**
Transfer	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**85,433**	**(85,433)**	**–**	**–**	**–**
At 31 August 2024	**78,416**	**628,787**	**194,428**	**4,467**	**(26,566)**	**2,430**	**16,903**	**(2,387)**	**634,728**	**2,534,552**	**4,065,758**	**782,250**	**4,848,008**

Notes:

i. The other reserve represents the transactions arising from the reorganisation prior to the listing of the Company, including (i) the deemed distribution to controlling shareholders which represents the difference between the fair value of the lower-than-market interest rate advances to 廣州市太陽城集團有限公司 (Guangzhou Sun City Group Co., Ltd.) and the principal amount of the advances at initial recognition; (ii) the deemed contribution from controlling shareholders which represents the differences between the nominal value and fair value of the lower-than-market interest rate advances on the inception date; (iii) the difference between the principal amounts of consideration paid/received and the relevant share of carrying value of the subsidiaries' net assets acquired from/disposed to the non-controlling interests; (iv) the deemed distribution to the controlling shareholders arising from financial guarantee provided to 廣州太陽城大酒店有限公司 (Guangzhou Sun City Hotel Co., Ltd.); and (v) the adjustments to non-controlling interests in respect of change in equity interests in a subsidiary.

ii. The property revaluation reserve of the Group represents the gain on revaluation of certain properties for own use of the Group as a result of transfers of those properties from properties, plant and equipment to investment properties.

iii. Shares held under share award scheme comprises the consideration paid for the treasury shares held for the share award scheme, including any attributable incremental costs for the purchase of shares under the share award scheme. As at 31 August 2024, approximately 4,573,000 shares were held by trustee pursuant to the share award scheme (2023: 4,735,000 shares).

iv. Pursuant to the relevant laws in the People's Republic of China (the "**PRC**"), the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the board of directors of the relevant PRC subsidiaries. These reserves include (i) general reserve of the limited liabilities companies and (ii) the development fund of schools.

(i) For PRC subsidiaries with limited liability, they are required to make annual appropriations to general reserve of 10% of after-tax profits as determined under the PRC laws and regulations at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital.

(ii) According to the relevant PRC laws and regulations, for private school that does not require for reasonable return, it is required to appropriate to development fund of not less than 10% of the net income of the relevant schools as determined in accordance with generally accepted accounting principles in the PRC. The development fund shall be used for the construction or maintenance of the schools or procurement or upgrading of educational equipment.

Consolidated Statement of Cash Flows

For the year ended 31 August 2024

	2024 *RMB'000*	2023 *RMB'000*
OPERATING ACTIVITIES		
Profit for the year	**804,121**	718,802
Adjustments for:		
Taxation	**4,873**	1,232
Depreciation of property, plant and equipment	**205,579**	164,825
Depreciation of right-of-use assets	**25,263**	25,973
Fair value change on financial assets at FVTPL	**(1,265)**	(4,085)
Finance costs	**32,221**	26,289
Net foreign exchange (gain) loss	**(401)**	5,513
Loss from changes in fair value of investment properties	**15,900**	29,131
Loss on disposal of property, plant and equipment	**465**	2
Impairment losses under ECL model, net of reversal	**12,995**	8,512
Recovery of trade receivables previously written-off	**(10)**	(343)
Interest income from banks	**(25,798)**	(13,582)
Government grants	**(14,931)**	(13,700)
Recognition of share-based payments	**3,468**	6,299
Operating cash flows before movements in working capital	**1,062,480**	954,868
Increase in inventories	**(654)**	(438)
Decrease in trade receivables, deposits, prepayments and other receivables	**19,541**	5,901
Increase in contract liabilities	**49,387**	270,518
Increase in trade payables	**1,320**	27,160
(Decrease) increase in other payables and accrued expenses	**(107,263)**	82,683
Increase (decrease) in amounts due to related parties	**146**	(353)
Increase in deferred government grants	**16,962**	7,909
Cash generated from operations	**1,041,919**	1,348,248
Income tax paid	**(6,300)**	(761)
NET CASH FROM OPERATING ACTIVITIES	**1,035,619**	1,347,487

	2024 RMB'000	2023 RMB'000
INVESTING ACTIVITIES		
Purchase of financial assets at FVTPL	**(1,326,583)**	(1,591,131)
Payments for acquisition of property, plant and equipment	**(381,463)**	(640,198)
Addition of investment properties	**—**	(28,131)
Upfront payments for right-of-use assets	**(16,230)**	(11,184)
Deposits paid for acquisition of property, plant and equipment	**(52,212)**	(132,368)
Payments for rental deposits	**—**	(33)
Redemption of financial assets at FVTPL	**1,126,563**	1,722,842
Interest income from banks	**25,088**	12,448
Government grants received for construction of property, plant and equipment	**562**	6,061
Placement of restricted bank deposits	**(31,069)**	(19,922)
NET CASH USED IN INVESTING ACTIVITIES	**(655,344)**	(681,616)
FINANCING ACTIVITIES		
Repayment of bank and other borrowings	**(959,299)**	(621,982)
Dividend paid	**(92,193)**	(59,168)
Interest paid on bank and other borrowings	**(83,899)**	(81,706)
Repayment of lease liabilities	**(6,668)**	(7,971)
Interest paid on lease liabilities	**(535)**	(758)
New bank and other borrowings raised	**816,969**	763,490
Advance from a shareholder	**36,471**	—
Proceeds from issue of shares upon exercise of share options	**1,116**	8
NET CASH USED IN FINANCING ACTIVITIES	**(288,038)**	(8,087)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**92,237**	657,784
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**1,982,857**	1,318,052
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(3,982)**	7,021
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	**2,071,112**	1,982,857

1. GENERAL INFORMATION

Edvantage Group Holdings Limited (the "**Company**") was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Act (As Revised), Chapter 22 of the Cayman Islands on 18 October 2018. Its immediate and ultimate holding company is Debo Education Investments Holdings Limited (德博教育投資控股有限公司) ("**BVI Holdco**"). The ultimate controlling shareholders of the Company and together with its subsidiaries (the "**Group**") are Mr. Liu Yung Chau ("**Mr. Liu**") and Ms. Chen Yuan, Rita ("**Ms. Chen**"), the spouse of Mr. Liu ("**Controlling Shareholders**"). Mr. Liu is the chairman and an executive director of the Company, and Ms. Chen is an executive director of the Company. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 July 2019. The addresses of the Company's registered office and the principal place of business are PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher education and vocational education institutions in the PRC and overseas.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Contractual arrangements

Due to regulatory restrictions on foreign ownership in the operation of education institutions that provides higher education and secondary vocational education services in the PRC, the Group conducts a substantial portion of the business through i) Sichuan New Concept, Urban Vocational College of Sichuan and Urban Technician College of Sichuan (as defined in note 39) (collectively "**Sichuan New Concept Group**"), ii) Guangdong Sun City Industrial and Guangdong Huashang Technical School (as defined in note 39) (collectively "**Guangdong Sun City Group**"), iii) Guangzhou Taohua Island E-commerce Consulting(as defined in note 39) and Guangxi Qingchuang (as defined in note 39) (collectively "**Guangzhou Taohua Island Group**") (together with Sichuan New Concept Group and Guangdong Sun City Group, the "**Consolidated Affiliates Entities**"). Guangzhou Zhiheng Education, an indirect wholly-owned subsidiary of the Company, Nanning Zhuowen Education, a subsidiary of the Company, Sichuan New Concept and the shareholders of Nanning Zhuowen Education entered into a series of contractual agreements; Guangzhou Zhiheng Education, Shenzhen Zhuochuang Education (as defined in note 39), a subsidiary of the Company, Guangdong Sun City Industrial and the shareholders of Shenzhen Zhuochuang Education entered into a series of contractual agreements; and Guangzhou Taohua Island Business Consulting Co., Ltd, an indirect wholly-owned subsidiary of the Company, Guangzhou Taohua Island E-commerce Consulting and the shareholders of Guangzhou Taohua Island E-commerce Consulting entered into a series of contractual agreements (collectively the "**Contractual Arrangements**"), respectively, which enable the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;

- exercise equity holders' voting rights of the Consolidated Affiliated Entities;

- receive substantially all of the economic benefits generated by the Consolidated Affiliated Entities in consideration for the technical services, management support service and consulting services necessary for private education business provided by Guangzhou Zhiheng Education and Guangzhou Taohua Island Business Consulting Co., Ltd;

- obtain an exclusive option to purchase all or part of the equity interests in the Consolidated Affiliated Entities directly and indirectly held by the shareholders of Nanning Zhuowen Education, Shenzhen Zhuochuang Education and Guangzhou Taohua Island E-commerce Consulting for the minimum amount of consideration permitted by the applicable PRC laws and regulations, under circumstances in which the Group or its designated third party is permitted under PRC laws and regulations to own all or part of the equity interests of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to, among others, distribute any reasonable return or other interest or benefit to the shareholders of Nanning Zhuowen Education, Shenzhen Zhuochuang Education and Guangzhou Taohua Island E-commerce Consulting without the Group's prior written consent; and

- the shareholders of Nanning Zhuowen Education, Shenzhen Zhuochuang Education and unconditionally and Guangzhou Taohua Island E-commerce Consulting irrevocably pledged all of their equity interests in Sichuan New Concept, Guangdong Sun City Industrial and Guangxi Qingchuang, respectively, to the Group to guarantee the performance of, among others, the obligations of Sichuan New Concept, Guangdong Sun City Industrial and Guangxi Qingchuang, the shareholders of Nanning Zhuowen Education, Shenzhen Zhuochuang Education and Guangzhou Taohua Island E-commerce Consulting and the Consolidated Affiliated Entities under the Contractual Arrangements.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Contractual arrangements (Continued)

The Company does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Company has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is therefore considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries pursuant to the Contractual Arrangements. The Group has consolidated the financial position and results of Sichuan New Concept, Guangdong Sun City Industrial and Guangzhou Taohua Island Group in the consolidated financial statements for the years ended 31 August 2024 and 2023.

The following balances and amounts of the Consolidated Affiliated Entities were included in the consolidated financial statements:

	2024	2023
	RMB'000	*RMB'000*
Revenue	**689,828**	591,502

	2024	2023
	RMB'000	*RMB'000*
Non-current assets	**2,599,486**	2,111,246
Current assets	**1,384,880**	486,819

2.2 Going concern assessment

The Group had net current liabilities of RMB265,170,000 as at 31 August 2024. The directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period not less than twelve months from the end of the reporting period. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period after taking consideration that as at 31 August 2024, included in the current liabilities of the Group was contract liabilities of approximately RMB1,575,884,000 representing the prepayments of tuition and boarding fees received by the Group before commencement of school terms which would be recognised as revenue over the remaining contract terms. Such contract liabilities shall not in itself result in any material cash outflow for the Group. In addition, the Group could generate sufficient operating cash inflow to meet its future obligations.

Taking into account the above-mentioned considerations, these consolidated financial statements have been prepared on a going concern basis.

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 Going concern assessment (Continued)

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* ("**IFRS 16**"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or VIU in IAS 36 *Impairment of Assets*.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction prices.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for asset or liability.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 September 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term "material accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Amendments to IFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (Continued)

IFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement. The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in Note 4 to the consolidated financial statements.

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

i. The Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 September 2022;

ii. The Group also, as at 1 September 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclosed the related deferred tax assets of RMB27,115,000 and deferred tax liabilities of RMB151,965,000 on a gross basis in note 30 but it has no impact on the accumulated profits at the earlier period presented.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[4]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[4]
IFRS 18	Presentation and Disclosure in Financial Statements[5]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[5]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2024
3 Effective for annual periods beginning on or after 1 January 2025
4 Effective for annual periods beginning on or after 1 January 2026
5 Effective for annual periods beginning on or after 1 January 2027

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and amendments to IFRSs in issue but not yet effective (Continued)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 August 2024, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

4. MATERIAL ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Optional concentration test (Continued)

For business combinations in which the acquisition date is on or after 1 September 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting issued by International Accounting Standards Board in March 2018 (the "**Conceptual Framework**") except for transactions and events within the scope of IAS 37 or IFRIC 21, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* ("**IAS 12**") and IAS 19 *Employee Benefits* respectively; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGU) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGU) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGU) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGU).

On disposal of the relevant CGU or any of the CGU within the group of CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGU), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGU) retained.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16, or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless such allocation cannot be made reliably.

The Group applies practical expedient, not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* ("**IFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB), using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plan (state-managed retirement benefit scheme, Mandatory Provident Fund Scheme ("**MPF Scheme**") and defined contribution superannuation plans) are recognised as expenses when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees under share option scheme

The Group operates a share option scheme which allows it to grant share options to selected employees. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessments of all relevant non-marketing vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Shares granted to employees under share award scheme

The Group operates share award scheme which allows it to grant shares to selected employees. For the shares granted to the employees, the fair value of the employee services received in exchange for the grant of the shares is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted.

At the end of each reporting period, the Group revises its estimate of the number of award shares that are expected to vest. The impact of the revision of original estimates, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share award reserve.

At the time when the award shares are vested, the amount previously recognised in shares held under share award scheme and the amount of the share award reserve will be transferred to retained profits.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments is only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss,

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land and buildings that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

For a transfer from investment property to owner-occupied property or inventory, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

4. MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination (Continued)

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and VIU. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its VIU (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Bank balances, deposits and cash

Bank balances, deposits and cash presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, Bank Balances, deposits and cash consist of cash and cash equivalents as defined above.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers* ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits and other receivables, amount due from a non-controlling shareholder, bank balances and restricted bank deposits) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at the reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables arising from revenue from contracts with customers.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initially recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, or in the case of trade receivables from students, when the students are dropped out from schools, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities including trade and other payables, amounts due to related parties and bank and other borrowings are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

The following are the key source of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income taxes

Significant judgement is required in interpreting the relevant tax rules and regulations so as to determine whether the Group is subject to PRC Enterprise Income Tax ("**EIT**"). This assessment relies on judgements and assumptions about future events including those related executions and local practices of the relevant provisions of the Law for Promoting Private Education and the relevant implementation rules ("**Rules**"). The Group has considered all relevant facts and circumstances, including the executions and local practices of the relevant provisions of the Rules issued from time to time; the plans for election, progress and results of the application of Rules by individual schools of the Group within the PRC, as well as other relevant tax rules and regulations, when assessing the effect of the estimation uncertainty by using the most likely amounts. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities and applicability of preferential tax treatment as detailed in note 10. Should there is any change in the estimation, this may cause an increase in the tax expense in the future.

Impairment assessment of goodwill and intangible assets with indefinite useful lives

Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the recoverable amount of the CGU to which goodwill and intangible assets have been allocated, which is the higher of the VIU or fair value less costs of disposal. The VIU calculation requires the Group to estimate the future cash flows expected to arise from the CGU containing goodwill and intangible assets and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or there is a change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. As at 31 August 2024, the carrying amounts of goodwill and intangible assets were RMB135,542,000 and RMB196,286,000 (31 August 2023: RMB135,517,000 and RMB196,166,000), respectively. Details of the determination of recoverable amounts are disclosed in note 19.

6. REVENUE AND SEGMENT INFORMATION

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation representing tuition and boarding are transferred to the customers.

A performance obligation represents a goods on service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

A contract liability represents the Group's obligation to transfer goods or services to the customers for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of services.

The Group's major revenue-generating operations, representing tuition, boarding, other vocational education service and university cooperation programme (each being single performance obligation) are recognised under output methods. Output method is used when determining progress towards complete satisfaction of the performance obligation of the courses and programs, which is to recognise revenue on the basis of direct measurements of the value of services transferred to the customers to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

6. REVENUE AND SEGMENT INFORMATION (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Output method (Continued)

The Group's other income including management fee income, non-regular training fee income and school ancillary, system maintenance and service income (each being single performance obligation) are recognised under output method. Output method is used when determining progress towards complete satisfaction of the performance obligation of the courses and progress and system maintenance service, which is to recognise revenue on the basis of direct measurements of the value of services transferred to the customers to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

The following is an analysis of the Group's revenue from contracts with customers by major service lines:

	For the year ended 31 August 2024		
	PRC higher education and vocational education *RMB'000*	**Overseas higher education and vocational education** *RMB'000*	**Consolidated** *RMB'000*
Tuition fees recognised overtime	**1,987,695**	**41,278**	**2,028,973**
Boarding fees recognised overtime	**195,470**	**—**	**195,470**
Other vocational education service fees recognised overtime	**86,578**	**965**	**87,543**
	2,269,743	**42,243**	**2,311,986**

	For the year ended 31 August 2023		
	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Consolidated *RMB'000*
Tuition fees recognised overtime	1,710,722	25,180	1,735,902
Boarding fees recognised overtime	171,612	—	171,612
Other vocational education service fees recognised overtime	65,250	218	65,468
	1,947,584	25,398	1,972,982

6. REVENUE AND SEGMENT INFORMATION (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Output method (Continued)

The revenue of the Group comprises of the tuition fees and boarding fees from the Group's higher education and vocational education programmes. The Group's contracts with students for higher education and vocational education programmes in the PRC are normally with a duration of 1 year and renewed up to total duration of 2–4 years depending on the education programmes, while those for boarding fees are normally with a duration of 1 year. The Group's contracts with students for higher education and vocational education programmes in overseas (including diploma/advanced diploma/certificate) are normally with a duration of 12–76 weeks (2023: 12–76 weeks). Tuition and boarding fees are charged at pre-determined fixed consideration.

Transaction price allocated to the remaining performance obligation for contracts with customers

The contracts for tuition courses, boarding, and other vocational education services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The Group is mainly engaged in the provision of private higher education and vocational education institution services in the PRC and overseas. Operating segments have been identified on the basis of internal management reports and prepared in accordance with the relevant accounting principles and financial regulations which conform with IFRSs, that are regularly reviewed by the chief operating decision makers ("**CODM**"), Mr. Liu, Ms. Liu Yi Man ("**Ms. Liu**") and Ms. Chen, executive directors of the Company, for the purposes of resource allocation and assessment of segment performance focusing on types of services provided.

For education operation in the PRC, the information reported to the CODM is further categorised into different locations within the PRC, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they are located in the same country and under similar environment.

For education operation in Australia and Singapore, they are considered as a separate operating segment by the CODM. None of these segments met the quantitative thresholds for the reportable segments in both current and prior years. Accordingly, these segments were grouped in "Overseas higher education and vocational education".

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Specifically, the Group's reportable segments under IFRS 8 Operating Segments are as follows:

1. PRC higher education and vocational education — operation of higher, secondary and vocational education institutions in the PRC; and

2. Overseas higher education and vocational education — operation of higher and vocational education institutions in the regions other than the PRC.

Segment revenue and results

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

For the year ended 31 August 2024

	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Total *RMB'000*
Revenue			
External sales and segment revenue	**2,269,743**	**42,243**	**2,311,986**
Segment profit	**835,526**	**915**	**836,441**
Unallocated corporate expenses			**(35,010)**
Unallocated corporate income			**7,162**
Unallocated other gains and losses			**401**
Profit before taxation			**808,994**

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 August 2023

	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Total *RMB'000*
Revenue			
External sales and segment revenue	1,947,584	25,398	1,972,982
Segment profit	755,034	1,093	756,127
Unallocated corporate expenses			(32,771)
Unallocated corporate income			2,191
Unallocated other gains and losses			(5,513)
Profit before taxation			720,034

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of certain administrative expenses, certain selling expenses, certain other income, certain interest income and certain other gains and losses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

6. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group operates in the PRC, Australia and Singapore.

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

	Revenue from customers		Non-current assets	
	31 August		31 August	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Australia	**41,278**	25,114	**1,548**	3,888
Singapore	**965**	284	**10,740**	11,497
The PRC	**2,269,743**	1,947,584	**6,553,184**	6,273,461
	2,311,986	1,972,982	**6,565,472**	6,288,846

Note: Non-current assets excluded deferred tax assets and amount due from a non-controlling shareholder.

Information about major customers

No single customer contributes over 10% or more of total revenue of the Group for both years.

7a. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Management fee and rental income	**26,762**	17,124
Government grants *(Note)*	**14,931**	15,153
School ancillary, system maintenance and service income	**85,722**	71,860
Others	**2,650**	856
	130,065	104,993

Note: Government grants mainly represent subsidies from the government for (i) conducting educational programmes, which are recognised upon usage of the funds in research projects and (ii) subsidising the campus construction and development which will be recognised to profit or loss on a systematic basis over the estimated useful life of the property, plant and equipment that are related to the purpose of those government grants.

Further details of (i) and (ii) are set out in note 27.

7b. INTEREST INCOME

	2024 RMB'000	2023 RMB'000
Interest income from banks	**25,798**	13,582

8. OTHER GAINS AND LOSSES

	2024 RMB'000	2023 RMB'000
Fair value change on financial assets at FVTPL	**1,265**	4,085
Loss from changes in fair value of investment properties *(Note 17)*	**(15,900)**	(29,131)
Recovery of trade receivables previously written-off	**10**	343
Net foreign exchange gain(loss)	**401**	(5,513)
Impairment losses under ECL model, net of reversal	**(12,995)**	(8,512)
Others	**2,274**	(1,275)
	(24,945)	(40,003)

9. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest expenses on bank and other borrowings	**79,200**	86,405
Interest on lease liabilities	**535**	758
Less: amounts capitalised in the cost of property, plant and equipment under construction	**(47,514)**	(60,874)
	32,221	26,289

Borrowing costs capitalised during the year arose from both specific borrowing and general borrowing pool. Borrowing costs capitalised from general borrowing pool are calculated by applying a capitalisation rate of 4.24% (2023: 4.94%) per annum, to expenditure on construction in progress included in property, plant and equipment.

10. TAXATION

	2024 **RMB'000**	2023 RMB'000
Current tax		
— Hong Kong Profits Tax	**1,568**	155
— PRC EIT	**22,403**	18,988
— Withholding tax	**2,000**	—
	25,971	19,143
Overprovision in prior years		
— PRC EIT	**(17,409)**	(9,238)
Deferred tax *(Note 30)*	**(3,689)**	(8,673)
	4,873	1,232

The income tax expense can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **RMB'000**	2023 RMB'000
Profit before taxation	**808,994**	720,034
Tax at PRC EIT rate of 25%	**202,249**	180,009
Tax effect of income not taxable for tax purposes	**(569,640)**	(471,922)
Tax effect of expenses not deductible for tax purposes	**380,790**	290,379
Withholding tax	**2,000**	—
Tax effect of tax losses not recognised	**14,071**	15,444
Utilisation of tax losses previously not recognised	**(1,264)**	(2,683)
Overprovision in prior years	**(17,409)**	(9,238)
Effect of tax charged at a predetermined tax rate on turnover entitled by certain subsidiaries operating in the PRC	**268**	37
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(6,192)**	(794)
Tax charge for the year	**4,873**	1,232

Under the two-tiered profits tax rates regime of Hong Kong Profits tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

10. TAXATION (Continued)

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Under the EIT Law, withholding tax is imposed on dividends declared and payable to investors that are non-PRC tax resident enterprises in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Therefore, dividends distributed from the PRC subsidiaries in respect of profits earned from 1 January 2008 onwards to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or a lower tax rate, if applicable.

According to the Implementation Regulations of the EIT Law, private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. As a result, private schools, which are providing academic qualification education, are eligible to enjoy income tax exemption treatment if the school sponsors of such schools do not require reasonable returns. Certain private higher education and vocational education institutions have been granted EIT exemption for the tuition related income from relevant local tax authorities. During the year ended 31 August 2024, the non-taxable tuition related income amounted to RMB2,156,366,000 (2023: RMB1,887,688,000), and the related non-deductible expenses amounted to RMB1,398,685,000 (2023: RMB1,161,516,000).

11. PROFIT FOR THE YEAR

	2024 ***RMB'000***	2023 *RMB'000*
Profit for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
— salaries and other allowances	**724,635**	596,164
— retirement benefit scheme contributions	**74,999**	58,078
— share-based payments	**3,468**	6,299
Total staff costs	**803,102**	660,541
Depreciation of property, plant and equipment	**205,579**	164,825
Depreciation of right-of-use assets	**25,263**	25,973
Auditor's remuneration		
— Audit services	**4,000**	4,000
— Non-audit-related services	**243**	300

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's emoluments

Details of the emoluments paid or payable by the entities comprising the Group to the directors and chief executive of the Company are as follows:

	Directors' fee *RMB'000*	Salaries and other allowances *RMB'000*	Discretionary share-based payments *RMB'000*	Retirement benefit scheme contribution *RMB'000*	Total *RMB'000*
For the year ended 31 August 2024					
Executive directors:					
Mr. Liu	**—**	**2,338**	**590**	**—**	**2,928**
Ms. Liu *(Note)*	**—**	**2,591**	**634**	**30**	**3,255**
Ms. Chen	**—**	**1,255**	**341**	**—**	**1,596**
Non-executive director:					
Mr. Liu Yung Kan	**91**	**—**	**—**	**—**	**91**
Independent non-executive directors:					
Mr. Xu Gang	**91**	**—**	**—**	**—**	**91**
Mr. Li Jiatong	**91**	**—**	**—**	**—**	**91**
Mr. O'Yang Wiley	**219**	**—**	**—**	**—**	**219**
	492	**6,184**	**1,565**	**30**	**8,271**
For the year ended 31 August 2023					
Executive directors:					
Mr. Liu	—	1,505	516	—	2,021
Ms. Liu *(Note)*	—	1,986	620	30	2,636
Ms. Chen	—	1,185	103	—	1,288
Non-executive director:					
Mr. Liu Yung Kan	90	—	72	—	162
Independent non-executive directors:					
Mr. Xu Gang	90	—	19	—	109
Mr. Li Jiatong	90	—	21	—	111
Mr. O'Yang Wiley	215	—	—	—	215
	485	4,676	1,351	30	6,542

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and chief executive's emoluments (Continued)

The executive directors' emoluments shown above were paid for their services in connection with the management of affairs of the Company and the Group. The non-executive director's and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Note: Ms. Liu is also the chief executive officer of the Company and her emoluments disclosed above included those for services rendered by her as an employee of the Group.

Except for one director who waived emoluments of approximately HK$840,000, no other directors waived any emoluments in the year ended 31 August 2023.

Five individuals with the highest emoluments

The five highest paid individuals of the Group included three directors for the year ended 31 August 2024 (2023: three directors) whose emoluments are included in the disclosures above. The emoluments of the remaining two individuals for the year ended 31 August 2024 (2023: two individuals) are as follows:

	2024	2023
	RMB'000	*RMB'000*
Salaries, allowances and other benefits	**3,511**	2,052
Discretionary share-based payments	**788**	619
Retirement benefit scheme contributions	**16**	59
	4,315	2,730

The number of the five highest paid individuals whose emoluments fell within the following bands is as follows:

	2024	2023
HK$1,000,001 to HK$1,500,000	**—**	2
HK$1,500,001 to HK$2,000,000	**2**	1
HK$2,500,001 to HK$3,000,000	**1**	1
HK$3,000,001 to HK$3,500,000	**1**	1
HK$3,500,001 to HK$4,000,000	**1**	—

No emoluments were paid by the Group to the directors of the Company or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

13. DIVIDENDS

During the reporting period, the Company recognised the following dividend as distribution:

	2024 **RMB'000**	2023 *RMB'000*
Final dividend for the preceding financial year ended 31 August 2023 of HK9.00 cents per ordinary share *(Note (i))* (2023: final dividend of HK9.60 cents and a special dividend of HK1.60 cents per ordinary share for the year ended 31 August 2022) *(Note (ii))*	**93,261**	107,466
Interim dividend for the six months ended 29 February 2024 of HK9.60 cents per ordinary share with a scrip alternative to settle with ordinary shares or paid with cash (2023: interim dividend for the six months ended 28 February 2023 of HK9.00 cents per ordinary share) *(Note (iii))*	**100,032**	93,074
	193,293	200,540

Notes:

(i) The final dividend in respect of the year ended 31 August 2023 totalling RMB93,261,000 has been satisfied partly in the form of allotment of new shares of the Company and partly in cash on 31 May 2024. The number of ordinary shares settled and issued as scrip dividends was 461,894 and the total amount of dividend paid as scrip dividends was RMB1,068,000 while cash dividend amounted to RMB92,193,000.

(ii) The final dividend in respect of the year ended 31 August 2022 totalling RMB92,114,000 was wholly satisfied in the form of allotment of new shares of the Company. The number of ordinary shares settled and issued was 39,256,118. The special dividend which amounted to RMB15,352,000 was paid in cash.

(iii) The interim dividend in respect of the six months ended 29 February 2024 totalling RMB100,032,000 (2023: RMB93,074,000) has been satisfied partly in the form of allotment of new shares of the Company and partly in cash on 31 October 2024. The number of ordinary shares settled and issued as scrip dividends was 35,954,419 (2023: 19,642,008 shares) and the total amount of dividend paid as scrip dividends was RMB77,174,000 (2023: RMB49,258,000) while cash dividend amounted to RMB22,858,000 (2023: RMB43,816,000).

Subsequent to the end of the reporting period, the Board has proposed, and subject to approval by the shareholders of the Company at the forthcoming annual general meeting, that a final dividend of HK10.0 cents per ordinary share for the year ended 31 August 2024 (year ended 31 August 2023: HK9.0 cents), in an aggregate amount of approximately HK$117,823,000 (year ended 31 August 2023: HK$102,717,000) which is calculated based on the number of issued shares of the Company as at 31 October 2024, be declared to shareholders of the Company whose names appear on the register of members of the Company on 28 March 2025, and that the proposed final dividend will be payable in cash with a scrip alternative, allowing eligible shareholders of the Company ("**Eligible Shareholders**") to elect to receive such final dividend wholly in new shares of the Company, or partly in new shares of the Company and partly in cash, or wholly in cash.

14. 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:

	2024 RMB'000	2023 RMB'000
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	**714,746**	618,370

	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,137,095,674**	1,100,557,683
Effect of dilutive potential ordinary shares:		
Share options	**—**	330,510
Unvested and treasury shares held under share award scheme	**4,915,412**	628,285
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,142,011,086**	1,101,516,478

The computation of diluted earnings per share does not assume the exercise of share options (2023: did not assume the exercise of certain share options) of the Company because those share options were anti-dilutive during the years ended 31 August 2024.

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by share award scheme trust.

15. PROPERTY, PLANT AND EQUIPMENT

	Owned properties RMB'000	Leasehold land and buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 September 2022	2,835,454	19,843	167,371	14,521	627,337	1,295,280	4,959,806
Additions	8,986	—	25,385	1,221	170,204	721,402	927,198
Transfer	1,239,352	—	1,111	—	—	(1,240,463)	—
Disposal	—	—	(1,539)	—	(312)	—	(1,851)
Exchange realignment	—	—	104	—	24	—	128
At 31 August 2023	4,083,792	19,843	192,432	15,742	797,253	776,219	5,885,281
Additions	**3,753**	**6,519**	**42,026**	**4,606**	**57,594**	**425,428**	**539,926**
Transfer	**732,866**	**—**	**—**	**—**	**2,754**	**(735,620)**	**—**
Disposal	**(5)**	**—**	**—**	**—**	**(2,261)**	**—**	**(2,266)**
Exchange realignment	**—**	**—**	**91**	**—**	**59**	**—**	**150**
At 31 August 2024	**4,820,406**	**26,362**	**234,549**	**20,348**	**855,399**	**466,027**	**6,423,091**
DEPRECIATION							
At 1 September 2022	325,592	1,081	84,522	11,026	371,225	—	793,446
Provided for the year	75,453	387	12,986	903	75,096	—	164,825
Eliminated on disposal	—	—	(1,539)	—	(310)	—	(1,849)
Exchange realignment	—	—	88	—	23	—	111
At 31 August 2023	401,045	1,468	96,057	11,929	446,034	—	956,533
Provided for the year	**94,927**	**601**	**17,509**	**1,344**	**91,198**	**—**	**205,579**
Eliminated on disposals	**(3)**	**—**	**—**	**—**	**(1,798)**	**—**	**(1,801)**
Exchange realignment	**—**	**—**	**59**	**—**	**47**	**—**	**106**
At 31 August 2024	**495,969**	**2,069**	**113,625**	**13,273**	**535,481**	**—**	**1,160,417**
CARRYING VALUES							
At 31 August 2024	**4,324,437**	**24,293**	**120,924**	**7,075**	**319,918**	**466,027**	**5,262,674**
At 31 August 2023	3,682,747	18,375	96,375	3,813	351,219	776,219	4,928,748

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residual values, are depreciated on a straight-line basis at the following useful life:

Owned properties	Over the shorter of 20–50 years or the terms of the leases of leasehold land
Leasehold land and buildings	Over the shorter of 50 years or the terms of the leases
Leasehold improvements	Over the shorter of 2–10 years or the terms of the leases
Motor vehicles	4–5 years
Furniture, fixtures and equipment	4–5 years

16. RIGHT-OF-USE ASSETS

	Leasehold lands *RMB'000*	School premises and offices *RMB'000*	Total *RMB'000*
As at 1 September 2023			
Carrying amount	731,751	42,268	774,019
As at 31 August 2024			
Carrying amount	**729,104**	**36,596**	**765,700**
For the year ended 31 August 2023			
Depreciation charge	18,448	7,525	25,973
For the year ended 31 August 2024			
Depreciation charge	**18,877**	**6,386**	**25,263**

	Year ended 31 August 2024 ***RMB'000***	Year ended 31 August 2023 *RMB'000*
Expense relating to short-term leases	**2,517**	1,708
Total cash outflow for leases	**25,415**	21,621
Additions to right-of-use assets	**16,729**	16,282

For both years, the Group leases various school premises and offices for its operations. Lease contracts are entered into for fixed term of 2 to 20 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for temporary offices. As at 31 August 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

16. RIGHT-OF-USE ASSETS (Continued)

The Group has extension options in a number of leases for school premises. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 August 2024 and 2023, there is no such triggering event.

Restrictions or covenants on leases

In addition, lease liabilities of RMB7,272,000 are recognised with related right-of-use assets of RMB5,935,000 as at 31 August 2024 (2023: lease liabilities of RMB12,728,000 and related right-of-use assets of RMB11,251,000). The lease agreement does not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INVESTMENT PROPERTIES

The Group leases out certain of its properties under operating leases with rental receivable monthly. The leases typically run for an initial period of three years.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	RMB'000
FAIR VALUE	
At 1 September 2022	147,200
Addition	28,131
Loss from changes in fair value recognised in profit or loss *(Note 8)*	(29,131)
At 31 August 2023	**146,200**
Loss from changes in fair value recognised in profit or loss *(Note 8)*	**(15,900)**
At 31 August 2024	**130,300**

In determining the fair value of the relevant properties, the Group engages third party qualified valuers to perform the valuation. The chief financial officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The chief financial officer reports to the board of directors of the Company regularly to explain the cause of fluctuations in the fair value of the investment properties.

17. INVESTMENT PROPERTIES (Continued)

The fair values of the Group's investment properties as at 31 August 2024 and 2023 have been arrived at on the basis of a valuation carried out on the respective date by an independent qualified professional valuers not connected to the Group.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 August 2024 and 2023 are as follows:

Nature	Valuation Technique	Significant unobservable inputs	Sensitivity
School premises located in the PRC — completed properties	Income capitalisation	Capitalisation rate of 5.5% to 6.5 % (2023: 5.5% to 6.5%) and market rentals, taking into account the net rental income rates of the properties derived from existing lease and/or achievable in the existing market, i.e. RMB15 per m^2 per month to RMB26 per m^2 per month (2023: RMB15 per m^2 per month to RMB26 per m^2 per month).	A significant increase in the market rentals used would result in a significant increase in fair value, vice versa. A significant increase in capitalisation rate would result in a significant decrease in fair value, vice versa.

	2024		2023	
	Carrying amount *RMB'000*	**Fair value at Level 3 hierarchy** *RMB'000*	Carrying amount *RMB'000*	Fair value at Level 3 hierarchy *RMB'000*
School premises	**130,300**	**130,300**	146,200	146,200

There were no transfers into or out of Level 3 during the year.

18. GOODWILL AND INTANGIBLE ASSETS

		Intangible assets			
	Goodwill	Brand name	Licenses	Accreditations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note i)	(Note ii)	(Note ii)	(Note ii)	
COST AND CARRYING VALUE					
At 1 September 2022	135,382	2,451	188,038	5,015	195,504
Exchange realignment	135	217	—	445	662
At 31 August 2023	**135,517**	**2,668**	**188,038**	**5,460**	**196,166**
Exchange realignment	**25**	**40**	**—**	**80**	**120**
At 31 August 2024	**135,542**	**2,708**	**188,038**	**5,540**	**196,286**

Notes:

i. Particulars regarding impairment testing on goodwill are disclosed in note 19.

ii. Brand name, licenses and accreditations are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash inflows indefinitely. The brand name, licenses and accreditations will not be amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired. Particulars of the impairment testing are disclosed in note 19.

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purposes of impairment testing, goodwill and intangible assets with indefinite useful lives set out in note 18 have been allocated to three CGUs representing the business of vocational education operation in Singapore, Chengdu and Guangdong. The carrying amounts of goodwill and intangible assets (net of accumulated impairment losses, if any) as at 31 August 2024 and 2023 are as follows:

	Goodwill		Intangible assets	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Singapore operation	**1,680**	1,655	**8,248**	8,128
Chengdu operation	**104,051**	104,051	**69,100**	69,100
Guangdong operation	**29,811**	29,811	**118,938**	118,938
	135,542	135,517	**196,286**	196,166

The management of the Group determines that there is no impairment of CGU which contains goodwill and intangible assets with indefinite useful lives for both years.

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

The basis of the recoverable amounts of its CGU and its major underlying assumptions are summarised below:

Singapore operation

The recoverable amount of this unit has been determined based on a VIU calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and discount rate of 14.84% (2023: 15.50%). The CGU's cash flows beyond the 5-year period are extrapolated using a steady 0.30% (2023: 1.50%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include salary costs of teachers, growth rate of student number and growth rate of tuition fee, such estimation is based on the unit's past performance and the management's expectations for the market development. Management believes that any reasonable change in any of these assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

Chengdu operation

The recoverable amount of this unit has been determined based on a VIU calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and discount rate of 11.56% (2023: 12.29%). The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2.04% (2023: 2.20%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include salary costs of teachers, growth rate of student number and growth rate of tuition fee, such estimation is based on the unit's past performance and the management's expectations for the market development. Management believes that any reasonable change in any of these assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

Guangdong operation

The recoverable amount of this unit has been determined based on a VIU calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and discount rate of 12.44% (2023: 12.69%). The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2.02% (2023: 2.20%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which include salary costs of teachers, growth rate of student number and growth rate of tuition fee, such estimation is based on the unit's past performance and the management's expectations for the market development. As at year ended 31 August 2024, the recoverable amount of this unit exceeds its carrying amount by RMB40,930,000. If the discount rate was changed to 13.04%, while other parameters remain constant, the recoverable amount would be reduced by RMB17,917,000.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 August 2024 and 2023, the financial assets at FVTPL represented the financial products issued by banks and other financial institutions in the PRC.

The financial products are with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, including listed shares, bonds, debentures and other financial assets, as follow:

	2024	2023
Financial products	**1.20% to 2.97%**	2.17% to 2.46%

At 31 August 2024, the Group has the rights to redeem the investments at any time with prior notice (2023: the Group has the rights to redeem the investments at any time with prior notice).

The management of the Group considers the fair values of the investments are, by reference to the discounted cash flow, based on the estimated return and discounted rate as disclosed in note 34(c) at 31 August 2024 and 2023.

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade receivables *(Note i)*	**6,762**	5,025
Less: allowance for credit losses	**(1,263)**	(1,048)
	5,499	3,977
Receivables from education departments	**2,218**	2,562
Staff advances	**22,624**	18,822
Other receivables	**19,538**	40,166
Interest income receivables	**1,852**	1,359
Deposits	**2,299**	2,111
Prepayments *(Note ii)*	**41,688**	46,701
Advances to government *(Note iii)*	**56,992**	56,992
Other tax recoverable	**989**	1,037
Total	**153,699**	173,727
Less: Amounts due within one year shown under current assets	**(116,708)**	(99,235)
Amounts shown under non-current assets	**36,991**	74,492

As at 1 September 2022, trade receivables from contracts with customers amounted to RMB1,058,000.

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Notes:

i. The students are required to pay tuition fees and boarding fees in advance for the upcoming school years before the commencements of the courses. The outstanding receivables represent amounts related to students who have applied for the delayed payment of tuition fees and boarding fees. There is no fixed term for delayed payments. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of individual students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

ii. Included in prepayments, these are prepaid education related expenses amounting to RMB17,500,000 as at 31 August 2024 (2023: RMB35,000,000).

iii. The amounts represent refundable advances to the municipal government to finance their expenses borne on revamp of the land which the Group plans to acquire in the future. The refundable advances are interest-free and the management of the Group expected that RMB20,000,000 would be repayable within one year while the remaining RMB36,992,000 will be repaid after one year from the end of the reporting period.

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

	2024	2023
	RMB'000	*RMB'000*
0–30 days	**599**	1,263
31–90 days	**167**	883
91–180 days	**4,733**	—
181–365 days	**—**	1,831
Total	**5,499**	3,977

As at 31 August 2024, the Group's entire trade receivables with aggregate carrying amount of RMB5,499,000 (31 August 2023: RMB3,977,000) are all past due for which the Group has not provided for impairment loss. The Group considered the trade receivables overdue over 90 days for students that are not dropped out from schools are not default as the tuition fees, university cooperation programme fees and boarding fees are usually fully received upon the graduation of the students by reference to past experience.

Details of impairment assessments on trade receivables from students are set out in note 34(b).

22. BANK BALANCES, DEPOSITS AND CASH

	2024 RMB'000	2023 RMB'000
Bank balances and cash	**2,071,112**	1,982,857
Restricted bank deposits	**50,990**	19,922
	2,122,102	2,002,779

Bank balances, deposits and cash comprise cash and short-term deposits held by the Group with an original maturity of three months or less. As at 31 August 2024, the Group's bank deposits carried weighted-average interest rates of 0.29% (2023: 0.30%) per annum.

Bank deposits amounting to RMB50,416,000 (2023: RMB14,500,000) have been pledged to secure the Group's short-term borrowings and are therefore classified as current assets.

23. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2024 RMB'000	2023 RMB'000
Tuition fees	**1,417,942**	1,380,936
Boarding fees	**157,942**	145,561
	1,575,884	1,526,497

As at 1 September 2022, contract liabilities amounted to RMB1,255,979,000.

The following table shows how much of the revenue recognised in the current year related to contract liabilities previously recorded:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in the contract liabilities at the beginning of the year		
Tuition fees	**1,380,936**	1,134,593
Boarding fees	**145,561**	121,386
	1,526,497	1,255,979

No revenue recognised during the year related to performance obligations that were satisfied in respective prior periods.

23. CONTRACT LIABILITIES (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised related to tuition fee, boarding fees and university cooperation programme fees are as follows:

When the Group receives the prepayments before the commencement of school terms, tuition courses or boardings, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the prepayments. The Group typically receives the amounts in full before the relevant services commence.

24. 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 31 August 2024 and 2023.

	2024 ***RMB'000***	2023 *RMB'000*
0–60 days	**30,233**	26,278
61–180 days	**8,551**	21,424
181–365 days	**8,404**	1,187
Over 365 days	**7,436**	4,410
	54,624	53,299

25. OTHER PAYABLES AND ACCRUED EXPENSES

	2024 ***RMB'000***	2023 *RMB'000*
Discretionary government subsidies receipt in advance *(Note)*	**108,034**	110,007
Receipt on behalf of ancillary services providers	**87,893**	111,541
Deposits received	**25,655**	28,605
Accrued staff benefits and payroll	**50,167**	43,641
Payable for construction of properties	**84,461**	147,473
Other payables and accruals	**83,313**	47,217
Other tax payables	**2,413**	2,264
	441,936	490,748
Less: Amounts due within one year shown under current liabilities	**(397,936)**	(374,606)
Amounts shown under non-current liabilities	**44,000**	116,142

Note: The amounts mainly represent scholarships and subsidies received from the government to be distributed to students of the university and vocational school.

26. BANK AND OTHER BORROWINGS

	2024 RMB'000	2023 RMB'000
Bank borrowings	**1,638,205**	1,691,515
Other borrowings	**34,000**	124,000
Total bank and other borrowings	**1,672,205**	1,815,515
Analysed as:		
— Secured	**1,638,205**	1,781,515
— Unsecured	**34,000**	34,000
	1,672,205	1,815,515
— Fixed rate	**183,100**	302,910
— Variable rate	**1,489,105**	1,512,605
	1,672,205	1,815,515
The carrying amounts of the above borrowings are repayable*:		
On demand or within one year	**419,266**	478,034
Within a period of more than one year but not exceeding two years	**275,933**	361,039
Within a period of more than two years but not exceeding five years	**958,006**	900,139
With a period of more than five years	**19,000**	76,303
	1,672,205	1,815,515
Less: Amounts due within one year shown under current liabilities	**(419,266)**	(478,034)
Amounts shown under non-current liabilities	**1,252,939**	1,337,481

* The amounts due are based on scheduled repayment dates, set out in the loan agreements.

26. BANK AND OTHER BORROWINGS (Continued)

Notes:

i. The Group has variable-rate borrowings which carry interest with reference to the Benchmark Borrowing Rate of The People's Bank of China and Hong Kong Interbank Offered Rate. The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2024	2023
Effective interest rate:		
Variable-rate borrowings	**2.50% – 5.70%**	2.50% – 8.00%
Fixed-rate borrowings	**1.20% – 3.80%**	1.20% – 8.00%

ii. Except for bank borrowings of carrying amount of RMB184,725,000 and RMB363,445,000 as at 31 August 2024 (2023: RMB283,767,800 and Nil) which are denominated at Hong Kong dollars and USD dollars, all of the bank and other borrowings are denominated in RMB which is the same as the functional currency of the relevant group entities.

iii. As at 31 August 2024, certain bank borrowings of the Group were secured by certain bank deposits and the rights to receive the tuition fees and boarding fees (2023: secured by certain deposits and the rights to receive the tuition fees and boarding fees). Details of assets that have been pledged as collateral to secure borrowings are set out in note 37 to the consolidated financial statements.

27. DEFERRED INCOME

Deferred income mainly represents subsidies from the government for (i) conducting educational programmes, which are recognised upon usage of the funds in research projects and (ii) subsidising the campus construction and development which will be recognised to profit or loss on a systematic basis over the estimated useful life of the property, plant and equipment that are related to the purpose of those government grants. The following table discloses the movement of deferred income:

	2024 ***RMB'000***	2023 *RMB'000*
At 1 September	**107,580**	107,310
Additions	**17,524**	13,970
Release to profit or loss during the year *(Note 7a)*	**(14,931)**	(13,700)
At 31 August	**110,173**	107,580
Analysed as:		
Current	**39,101**	33,464
Non-current	**71,072**	74,116
	110,173	107,580

28. LEASE LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Lease liabilities payable:		
Within one year	**1,908**	5,985
Within a period of more than one year but not more than two years	**771**	2,346
Within a period of more than two years but not more than five years	**1,331**	1,261
Within a period of more than five years	**3,262**	3,136
	7,272	12,728
Less: Amount due for settlement with 12 months shown under current liabilities	**(1,908)**	(5,985)
Amount due for settlement after 12 months shown under non-current liabilities	**5,364**	6,743

29. SHARE CAPITAL

	Number of shares	**Amount**	**Shown in the consolidated financial statements**
		US$	*RMB'000*
Ordinary share of US$0.01 each			
Authorised			
At 1 September 2022, 31 August 2023 and 2024	1,500,000,000	15,000,000	
Issued and fully paid			
At 1 September 2022	1,082,402,079	10,824,020	74,195
Issue of shares upon exercise of share options	3,908	39	1
Issue of shares *(Note)*	58,898,126	588,981	4,151
At 31 August 2023	1,141,304,113	11,413,040	78,347
Issue of shares upon exercise of share options	510,000	5,100	36
Issue of shares *(Note)*	461,894	4,619	33
At 31 August 2024	1,142,276,007	11,422,759	78,416

29. SHARE CAPITAL (Continued)

Note:

In May 2024, the Company issued 461,894 ordinary shares of par value US$0.01 in respect of the scrip dividend scheme in relation to the final dividend for the period ended 31 August 2023 (2023: 58,898,126 ordinary shares).

30. DEFERRED TAX ASSETS/LIABILITIES

	2024 *RMB'000*	2023 *RMB'000*
Deferred tax assets	**(27,115)**	(24,489)
Deferred tax liabilities	**151,965**	153,028
	124,850	128,539

The following are the deferred tax (assets) liabilities recognised and movement thereon during the current and prior years:

	Accelerated tax depreciation *RMB'000*	Fair value adjustments on investment properties *RMB'000*	Undistributed profit of subsidiaries *RMB'000*	Unrealised profit on property, plant and equipment *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 September 2022	151,120	2,367	501	(5,465)	(11,311)	137,212
(Credit)/charge to profit or loss	(363)	(8,033)	—	218	(495)	(8,673)
At 31 August 2023	**150,757**	**(5,666)**	**501**	**(5,247)**	**(11,806)**	**128,539**
(Credit)/charge to profit or loss	**(788)**	**(3,975)**	**—**	**858**	**216**	**(3,689)**
At 31 August 2024	**149,969**	**(9,641)**	**501**	**(4,389)**	**(11,590)**	**124,850**

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by subsidiaries established in the PRC from 1 January 2008.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB4,494,364,000 (2023: RMB3,655,314,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

30. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At the end of the reporting period, the Group has unused tax losses of RMB239,631,000 (31 August 2023: RMB188,403,000), available for offset against future profits. No deferred tax asset has been recognised in respect of the entire tax losses due to the unpredictability of future profit streams. Included in the unrecognised tax losses at 31 August 2024 are losses of RMB98,821,000 (31 August 2023: RMB54,713,000), that will expire in 5 years. Other losses may be carried forward indefinitely.

	2024	2023
	RMB'000	*RMB'000*
2025	**3,129**	3,129
2026	**7,762**	7,762
2027	**20,799**	20,799
2028	**23,023**	23,023
2029	**44,108**	—
	98,821	54,713

31. RETIREMENT BENEFIT PLANS

Hong Kong

The Group participates in the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group and its employees are each required to contribute 5.0% of the employees' relevant income to the mandatory provident fund scheme. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. During the year ended 31 August 2024, the retirement benefit scheme contributions arising from the MPF Scheme charged to profit or loss were approximately RMB328,000 (2023: RMB254,000).

The PRC

In accordance with the relevant rules and regulations of the PRC, the Group's PRC subsidiaries are required to make contributions to the retirement fund administered by the PRC government ranging from 10% to 22% of the total monthly basic salaries of the current employees. In addition, the Group's PRC subsidiaries are required by law to contribute 2% to 15% of basic salaries of the employees for social insurance in relating to staff welfare, housing, medical and education benefits. During the year ended 31 August 2024, the costs charged under such arrangements for the Group's PRC subsidiaries amounted to approximately RMB72,568,000 (2023: RMB56,112,000).

31. RETIREMENT BENEFIT PLANS (Continued)

Australia

In accordance with the relevant rules and regulations in Australia, the Group's Australian subsidiaries are required to contribute a minimum of 9.5% of the employee's ordinary time earnings for all qualifying employees in Australia to any complying superannuation funds of the employees' own choice. During the year ended 31 August 2024, the Group has made contributions to a number of defined contribution superannuation plans with the amount recognised as an expense for the year of approximately RMB2,012,000 (2023: RMB1,628,000).

Singapore

In accordance with the relevant rules and regulations in Singapore, the Group's Singapore subsidiaries are required to fulfil the Central Provident Fund obligations and contribute 7.5% to 17% of the ordinary wages for all qualifying employees in Singapore to set aside funds for retirement and address healthcare, home ownership, family protection, and asset enhancement. During the year ended 31 August 2024, the costs charged under such arrangements for the Group's Singapore subsidiaries amounted to approximately RMB91,000 (2023: RMB84,000).

32. SHARE-BASED PAYMENTS

(a) Share Option Schemes

The 2019 Share Option Scheme was adopted pursuant to resolutions passed on 6 June 2019. On 19 January 2024, the 2024 Share Option Scheme was adopted by the Company, no further options will be granted under the 2019 Share Option Scheme but in all other respects, the provisions of the 2019 Share Option Scheme shall remain in force and all share options granted shall continue to be valid and exercisable in accordance therewith.

2019 Share Option Scheme

The 2019 Share Option Scheme was adopted for the primary purpose of providing incentives to employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board consider, in its sole discretion, to have contributed or will contribute to the Group. The 2019 Share Option Scheme will expire no later than 10 years from the date of the listing. Under the 2019 Share Option Scheme, the total number of ordinary shares which may be issued upon exercise of all options to be granted under the 2019 Share Option Scheme and any other schemes is 100,000,000, being no more than 10% of the ordinary shares in issue on the date of listing. The overall limit on the number of ordinary shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2019 Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the ordinary shares in issue from time to time (the "**Option Scheme Limit**"). The Option Scheme Limit may be refreshed at any time by obtaining prior approval of the shareholders of the Company in general meeting. However, the Option Scheme Limit cannot exceed 10% of the ordinary shares in issue as at the date of such approval.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

Unless approved by the shareholders of the Company, the total number of ordinary shares issued and to be issued upon exercise of the options granted and to be granted under the 2019 Share Option Scheme and 2024 Share Option Scheme to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of ordinary shares in issue (the "**Individual Limit**"). Any further grant of options to a selected participant which would result in the aggregate number of ordinary shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of shareholders of the Company.

Where any grant of options to a substantial shareholder or independent non-executive directors of the Company (or any of their respective associates) would result in the number of ordinary shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the ordinary shares in issue; and (ii) having an aggregate value, based on the closing price of the ordinary shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange), such further grant of options must also be first approved by the shareholders of the Company in a general meeting. The grantee, his/her associates and all core connected persons (within the meaning as ascribed to it under the Listing Rules) of the Company must abstain from voting in favour of such grant at such general meeting.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of ordinary shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company within 20 business days from the date on which the letter containing the offer is delivered to the eligible person.

Any offer may be accepted in respect of less than the number of ordinary shares for which it is offered provided that it is accepted in respect of a board lot for dealing in ordinary shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that eligible person, it shall be deemed to have been irrevocably declined.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

The 2019 Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, the board of directors of the Company may at its sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

For the share options granted during the years ended 31 August 2022 and 2023, the board of directors of the Company specified performance conditions that must be satisfied before the option can be exercised. These conditions include group financial performance targets and individual key performance indicators.

The period during which an option may be exercised is determined and notified by the board of directors of the Company to each grantee at the time of making an offer for the grant of the option and such period shall not expire later than ten years from the date of grant of the option.

The exercise price shall be determined by the board of directors of the Company, but shall be not less than the highest of (i) the closing price of an ordinary share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the ordinary shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of an ordinary share on the date of grant.

As at 1 September 2023, the number of share options available for grant under the then available scheme mandate under the 2019 Share Option Scheme was 82,460,603. As the 2019 Share Option Scheme was terminated on 19 January 2024, no further share options may be granted under the 2019 Share Option Scheme with effect from 19 January 2024. Accordingly, as at 31 August 2024, there was no more options available for grant under the 2019 Share Option Scheme.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

The following tables disclose movements in the Company's share options under the 2019 Share Option Scheme during the reporting period:

For the year ended 31 August 2024

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Directors									
Mr. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	10 December 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	15 July 2022	2.394	23 August 2022 – 24 September 2027	449,188	—	—	—	—	449,188
	15 July 2022	2.394	8 December 2022 – 24 September 2027	449,188	—	—	—	—	449,188
	15 July 2022	2.394	28 March 2023 – 24 September 2027	449,192	—	—	—	—	449,192
Ms. Chen	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	15 July 2022	2.394	23 August 2022 – 24 September 2027	89,845	—	—	—	—	89,845
	15 July 2022	2.394	8 December 2022 – 24 September 2027	89,845	—	—	—	—	89,845
	15 July 2022	2.394	28 March 2023 – 24 September 2027	89,849	—	—	—	—	89,849
Ms. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	29 March 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	10 December 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	22 February 2021	9.288	10 December 2021 – 29 January 2027	84,541	—	—	—	—	84,541
	15 July 2022	2.394	23 August 2022 – 24 September 2027	354,058	—	—	—	—	354,058
	15 July 2022	2.394	8 December 2022 – 24 September 2027	354,058	—	—	—	—	354,058
	15 July 2022	2.394	28 March 2023 – 24 September 2027	354,059	—	—	—	—	354,059
	15 July 2022	2.394	7 December 2023 – 24 September 2027	84,551	—	—	—	—	84,551
	15 July 2022	2.394	26 March 2024 – 24 September 2027	84,551	—	—	—	—	84,551

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2024 (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Directors (continued)									
Mr. Liu Yung Kan	21 January 2020	4.954	10 December 2020 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	29 March 2021 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	10 December 2021 – 30 January 2026	62,885	–	–	–	–	62,885
	15 July 2022	2.394	23 August 2022 – 24 September 2027	62,895	–	–	–	–	62,895
	15 July 2022	2.394	8 December 2022 – 24 September 2027	62,895	–	–	–	–	62,895
	15 July 2022	2.394	28 March 2023 – 24 September 2027	62,895	–	–	–	–	62,895
Mr. Xu Gang	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	–	–	–	–	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	–	–	–	–	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	–	–	–	–	17,967
	15 July 2022	2.394	23 August 2022 – 24 September 2027	17,977	–	–	–	–	17,977
	15 July 2022	2.394	8 December 2022 – 24 September 2027	17,977	–	–	–	–	17,977
	15 July 2022	2.394	28 March 2023 – 24 September 2027	17,978	–	–	–	–	17,978
Mr. Li Jiatong	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	–	–	–	–	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	–	–	–	–	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	–	–	–	–	17,967
	15 July 2022	2.394	23 August 2022 – 24 September 2027	17,977	–	–	–	–	17,977
	15 July 2022	2.394	8 December 2022 – 24 September 2027	17,977	–	–	–	–	17,977
	15 July 2022	2.394	28 March 2023 – 24 September 2027	17,978	–	–	–	–	17,978
Directors in aggregate				5,951,491	–	–	–	–	5,951,491

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2024 (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Associates of directors and substantial shareholders *(Note ii)*									
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	4.954	10 December 2020 – 30 January 2026	26,950	–	–	–	–	26,950
	21 January 2020	4.954	29 March 2021 – 30 January 2026	26,950	–	–	–	–	26,950
	21 January 2020	4.954	10 December 2021 – 30 January 2026	26,950	–	–	–	–	26,950
	15 July 2022	2.394	23 August 2022 – 24 September 2027	26,960	–	–	–	–	26,960
	15 July 2022	2.394	8 December 2022 – 24 September 2027	26,960	–	–	–	–	26,960
	15 July 2022	2.394	28 March 2023 – 24 September 2027	26,964	–	–	–	–	26,964
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026-	89,835	–	–	–	–	89,835
	22 February 2021	9.288	10 December 2021 – 29 January 2027	42,270	–	–	–	–	42,270
	15 July 2022	2.394	23 August 2022 – 24 September 2027-	132,115	–	–	–	–	132,115
	15 July 2022	2.394	8 December 2022 – 24 September 2027	132,115	–	–	–	–	132,115
	15 July 2022	2.394	28 March 2023 – 24 September 2027	132,119	–	–	–	–	132,119
	15 July 2022	2.394	7 December 2023 – 24 September 2027	42,280	–	–	–	–	42,280
	15 July 2022	2.394	26 March 2024 – 24 September 2027	42,283	–	–	–	–	42,283
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	71,868	–	–	–	–	71,868
	21 January 2020	4.954	29 March 2021 – 30 January 2026-	71,868	–	–	–	–	71,868
	21 January 2020	4.954	10 December 2021 – 30 January 2026-	71,868	–	–	–	–	71,868
	15 July 2022	2.394	23 August 2022 – 24 September 2027	71,878	–	–	–	–	71,878
	15 July 2022	2.394	8 December 2022 – 24 September 2027	71,878	–	–	–	–	71,878
	15 July 2022	2.394	28 March 2023 – 24 September 2027	71,881	–	–	–	–	71,881
Associates of directors and substantial shareholders in aggregate				1,385,662	–	–	–	–	1,385,662

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2024 (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2023	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2024
Employees (non-connected persons) *(Note iii)*	21 January 2020	4.954	10 December 2020 – 30 January 2026	601,897	–	(170,687)	–	–	431,210
	21 January 2020	4.954	29 March 2021 – 30 January 2026	601,897	–	(170,687)	–	–	431,210
	21 January 2020	4.954	10 December 2021 – 30 January 2026	601,897	–	(170,687)	–	–	431,210
	22 February 2021	9.288	10 December 2021 – 29 January 2027	593,223	–	–	–	–	593,223
	29 April 2021	8.592	10 December 2021 – 30 April 2027	293,690	–	–	–	–	293,690
	15 July 2022	2.394	23 August 2022 – 24 September 2027	1,815,497	–	(362,266)	–	(170,707)	1,282,524
	15 July 2022	2.394	8 December 2022 – 24 September 2027	1,621,643	–	(105,581)	–	(170,707)	1,345,355
	15 July 2022	2.394	28 March 2023 – 24 September 2027	1,738,281	–	(287,161)	–	(168,586)	1,282,534
	15 July 2022	2.394	7 December 2023 – 24 September 2027	976,005	–	–	–	–	976,005
	15 July 2022	2.394	26 March 2024 – 24 September 2027	1,156,668	–	(243,489)	–	–	913,179
Employees (non-connected persons) in aggregate				10,000,698	–	(1,510,558)	–	(510,000)	7,980,140
Total				17,337,851	–	(1,510,558)	–	(510,000)	15,317,293
Weighted average exercise price				HK$3.537	–	HK$3.257	–	HK$2.394	HK$3.603
Exercisable at the end of the year									15,317,293

Notes:

i. The vesting period commences on the date of grant and up to the share options become exercisable.

ii. Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are employees of the Group.

iii. Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

Since no share option has been granted since the adoption of the 2024 Share Option Scheme on 19 January 2024, there is no movement in the Company's share options granted under the 2024 Share Option Scheme during the reporting period.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2023

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2022	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2023
Directors									
Mr. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	10 December 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	15 July 2022	2.394	23 August 2022 – 24 September 2027	449,188	—	—	—	—	449,188
	15 July 2022	2.394	8 December 2022 – 24 September 2027	449,188	—	—	—	—	449,188
	15 July 2022	2.394	28 March 2023 – 24 September 2027	449,192	—	—	—	—	449,192
Ms. Chen	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	15 July 2022	2.394	23 August 2022 – 24 September 2027	89,845	—	—	—	—	89,845
	15 July 2022	2.394	8 December 2022 – 24 September 2027	89,845	—	—	—	—	89,845
	15 July 2022	2.394	28 March 2023 – 24 September 2027	89,849	—	—	—	—	89,849
Ms. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	29 March 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	10 December 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	22 February 2021	9.288	10 December 2021 – 29 January 2027	84,541	—	—	—	—	84,541
	15 July 2022	2.394	23 August 2022 – 24 September 2027	354,058	—	—	—	—	354,058
	15 July 2022	2.394	8 December 2022 – 24 September 2027	354,058	—	—	—	—	354,058
	15 July 2022	2.394	28 March 2023 – 24 September 2027	354,059	—	—	—	—	354,059
	15 July 2022	2.394	7 December 2023 – 24 September 2027	84,551	—	—	—	—	84,551
	15 July 2022	2.394	26 March 2024 – 24 September 2027	84,551	—	—	—	—	84,551

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2023 (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2022	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2023
Directors (continued)									
Mr. Liu Yung Kan	21 January 2020	4.954	10 December 2020 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	29 March 2021 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	10 December 2021 – 30 January 2026	62,885	—	—	—	—	62,885
	15 July 2022	2.394	23 August 2022 – 24 September 2027	62,895	—	—	—	—	62,895
	15 July 2022	2.394	8 December 2022 – 24 September 2027	62,895	—	—	—	—	62,895
	15 July 2022	2.394	28 March 2023 – 24 September 2027	62,895	—	—	—	—	62,895
Mr. Xu Gang	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	15 July 2022	2.394	23 August 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	8 December 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	28 March 2023 – 24 September 2027	17,978	—	—	—	—	17,978
Mr. Li Jiatong	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	15 July 2022	2.394	23 August 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	8 December 2022 – 24 September 2027	17,977	—	—	—	—	17,977
	15 July 2022	2.394	28 March 2023 – 24 September 2027	17,978	—	—	—	—	17,978
Directors in aggregate				5,951,491	—	—	—	—	5,951,491

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2023 (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2022	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2023
Associates of directors and substantial shareholders *(Note ii)*									
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	4.954	10 December 2020 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	10 December 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	15 July 2022	2.394	23 August 2022 – 24 September 2027	26,960	—	—	—	—	26,960
	15 July 2022	2.394	8 December 2022 – 24 September 2027	26,960	—	—	—	—	26,960
	15 July 2022	2.394	28 March 2023 – 24 September 2027	26,964	—	—	—	—	26,964
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	22 February 2021	9.288	10 December 2021 – 29 January 2027	42,270	—	—	—	—	42,270
	15 July 2022	2.394	23 August 2022 – 24 September 2027	132,115	—	—	—	—	132,115
	15 July 2022	2.394	8 December 2022 – 24 September 2027	132,115	—	—	—	—	132,115
	15 July 2022	2.394	28 March 2023 – 24 September 2027	132,119	—	—	—	—	132,119
	15 July 2022	2.394	7 December 2023 – 24 September 2027	42,280	—	—	—	—	42,280
	15 July 2022	2.394	26 March 2024 – 24 September 2027	42,283	—	—	—	—	42,283
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	10 December 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	15 July 2022	2.394	23 August 2022 – 24 September 2027	71,878	—	—	—	—	71,878
	15 July 2022	2.394	8 December 2022 – 24 September 2027	71,878	—	—	—	—	71,878
	15 July 2022	2.394	28 March 2023 – 24 September 2027	71,881	—	—	—	—	71,881
Associates of directors and substantial shareholders in aggregate				1,385,662	—	—	—	—	1,385,662

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2019 Share Option Scheme (Continued)

For the year ended 31 August 2023 (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2022	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2023
Employees (non-connected persons) *(Note iii)*	21 January 2020	4.954	10 December 2020 – 30 January 2026	601,897	—	—	—	—	601,897
	21 January 2020	4.954	29 March 2021 – 30 January 2026	601,897	—	—	—	—	601,897
	21 January 2020	4.954	10 December 2021 – 30 January 2026	601,897	—	—	—	—	601,897
	22 February 2021	9.288	10 December 2021 – 29 January 2027	595,167	—	(1,944)	—	—	593,223
	29 April 2021	8.592	10 December 2021 – 30 April 2027	293,690	—	—	—	—	293,690
	15 July 2022	2.394	23 August 2022 – 24 September 2027	1,817,451	—	—	—	(1,954)	1,815,497
	15 July 2022	2.394	8 December 2022 – 24 September 2027	1,623,597	—	—	—	(1,954)	1,621,643
	15 July 2022	2.394	28 March 2023 – 24 September 2027	1,751,478	—	(13,197)	—	—	1,738,281
	15 July 2022	2.394	7 December 2023 – 24 September 2027	1,083,540	—	(107,535)	—	—	976,005
	15 July 2022	2.394	26 March 2024 – 24 September 2027	1,211,415	—	(54,747)	—	—	1,156,668
	15 July 2022	2.394	14 December 2024 – 24 September 2027	39,593	—	(39,593)	—	—	—
Employees (non-connected persons) in aggregate				10,221,622	—	(217,016)	—	(3,908)	10,000,698
Total				17,558,775	—	(217,016)	—	(3,908)	17,337,851
Weighted average exercise price				HK$3.524	—	HK$2.456	—	HK$2.394	HK$3.537
Exercisable at the end of the year									14,951,513

Notes:

i. The vesting period commences on the date of grant and up to the share options become exercisable.

ii. Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are employees of the Group.

iii. Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2024 Share Option Scheme

The purposes of the 2024 Share Option Scheme are to (i) to recognise and acknowledge the contribution of the participants and provide incentives to motivate participants to contribute to, and promote the interests of, the Company by granting options to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop and, maintain and strengthen business long-term relationships that the participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the grantees with those of the shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

Eligible participants of the 2024 Share Option Scheme include (i) Employee Participants; (ii) Related Entity Participants; and (iii) Service Providers.

Subject to refreshment and adjustment pursuant to the rules of the 2024 Share Option Scheme, the maximum number of shares which may be allotted and issued in respect of all options to be granted under the 2024 Share Option Scheme, and all share options and all share awards to be granted under any other schemes (the "**Scheme Mandate Limit**") must not in aggregate exceed 10% of the total number of shares in issue as at the adoption Date, and the maximum number of shares which may be allotted and issued in respect of all options, all share options and all share awards to be granted to service providers under the 2024 Share Option Scheme and any Other Schemes (the "**Service Provider Sublimit**") must not in aggregate exceed 1% of the total number of shares in issue as at the adoption date, unless the Company seeks separate shareholders' approval in general meeting.

On the adoption date, there were 1,141,814,113 Shares in issue. Accordingly, (i) the total number of shares which may be issued in respect of all options and awarded shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any other schemes would be no more than 114,181,411 shares, representing no more than approximately 10% of the total number of shares in issue as at the adoption date; and (ii) the total number of shares that may be issued in respect of all options and awarded shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any other schemes to the service providers would be no more than 11,418,141 Shares, representing no more than approximately 1% of the total number of shares in issue as at the adoption date.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Schemes (Continued)

2024 Share Option Scheme (Continued)

The total number of shares issued and to be issued in respect of all options granted under the 2024 Share Option Scheme and all share options and all share awards granted under any other schemes (including both exercised or outstanding options and share options and vested or outstanding share awards but excluding any options, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme or such other scheme(s)) to each participant in any 12-month period up to and including the relevant offer date shall not exceed 1% of the total number of shares in issue (the "**Individual Limit**").

The acceptance of an offer must be accompanied by payment in favour of the Company of HK$1.00 as consideration for the offer which shall be paid to the Company within the time stated in the offer which shall be determined by the board from time to time.

The subscription price (subject to the adjustments in accordance with the rules of the 2024 Share Option Scheme) shall be a price determined by the board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of a share.

An option may be exercised in whole or in part by the grantee (or his/her personal representative(s)) during the option period by giving notice in writing to the Company (or to such entity or via such platform in such manner designated by the board from time to time) stating that the option is to be exercised and the number of Shares in respect of which it is exercised in such manner specified in the offer, or by such other method as the board may from time to time prescribe.

As at 31 August 2024, no share options have been granted under the 2024 Share Option Scheme.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes

The 2019 Share Award Scheme was adopted pursuant to resolutions passed on 6 June 2019. On 19 January 2024, the 2024 Share Award Scheme was adopted by the Company, no further awarded shares will be granted under the 2019 Share Award Scheme but in all other respects, the provisions of the 2019 Share Award Scheme shall remain in force and all awarded shares granted shall continue to be valid in accordance therewith.

2019 Share Award Scheme

The 2019 Share Award Scheme was adopted pursuant to a shareholders' resolution passed on 6 June 2019. The objective of the 2019 Share Award Scheme is for the primary purpose of providing incentives to employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the board of directors of the Company considers, in its sole discretion, to have contributed or will contribute to the Group. The 2019 Share Award Scheme will expire no later than 10 years from the date of the listing.

A share award includes all cash income from dividends in respect of those ordinary shares from the date the share award is granted to the date the share award is vested. The board of directors of the Company at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the ordinary shares be paid to the selected participant even though the ordinary shares have not yet vested.

Save that the board of directors of the Company at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the ordinary shares be paid to the selected participants even though the ordinary shares have not yet vested, the selected participant only has a contingent interest in the ordinary shares underlying an award unless and until such ordinary shares are actually transferred to the selected participant.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes (Continued)

2019 Share Award Scheme (Continued)

The maximum aggregate number of ordinary shares underlying all grants made pursuant to the 2019 Share Award Scheme (excluding ordinary shares which have been forfeited in accordance with the 2019 Share Award Scheme) will not exceed 20,000,000, being 2% of issued shares of the Company as of the date of the listing (i.e. 2% of 1,000,000,000 Shares), assuming the over-allotment option and options granted under the 2019 Share Option Scheme are not exercised and no ordinary shares are granted under the 2019 Share Award Scheme, without further shareholders' approval (the "**2019 Share Award Scheme Limit**").

The board of directors of the Company may from time to time determine such vesting criteria and conditions or periods for the awards to be vested under the 2019 Share Award Scheme.

Save as otherwise restricted by the 2019 Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested ordinary shares that may be granted to a selected participant under the 2019 Share Award Scheme.

Each grant of an award to any director of the Company or the chief executive officer shall be subject to the prior approval of the independent non-executive directors (excluding any independent non-executive directors who is a proposed recipient of the grant of share award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of the Company.

2024 Share Award Scheme

The purposes of the 2024 Share Award Scheme are (i) to recognise and acknowledge the contribution of the participants and to motivate the participants to contribute to, and promote the interests of, the Company by granting awards to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop, maintain and strengthen long-term relationships that the participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the selected persons with those of the shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

Eligible participants of the 2024 Share Award Scheme include (i) Employee Participants; (ii) Related Entity Participants; and (iii) Service Providers.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes (Continued)

2024 Share Award Scheme (Continued)

Subject to refreshment and adjustment pursuant to the rules of the 2024 Share Award Scheme, the maximum number of new shares which may be allotted and issued in respect of all awards to be granted under the 2024 Share Award Scheme and all share options and share awards to be granted under any other schemes (the "**Scheme Mandate Limit**") shall not in aggregate exceed 10% of the number of issued shares of the Company as at the adoption date (or such other limit (if any) prescribed by the Listing Rules from time to time), and the service provider sublimit must not in aggregate exceed 1% of the total number of shares in issue as at the adoption date, unless the Company has obtained separate approval by shareholders.

On the adoption date, there were 1,141,814,113 Shares in issue. Accordingly, (i) the total number of Shares which may be issued in respect of all options and awarded shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any Other Schemes would be no more than 114,181,411 shares, representing no more than approximately 10% of the total number of Shares in issue as at the adoption date; and (ii) the total number of Shares that may be issued in respect of all options and awarded shares that may be granted under the 2024 Share Schemes and all share options and all share awards that may be granted under any other schemes to the service providers would be no more than 11,418,141 shares, representing no more than approximately 1% of the total number of Shares in issue as at the adoption date.

The total number of shares issued and to be issued in respect of all awards granted under the 2024 Share Award Scheme and all share options and all share awards granted under any other schemes (including both exercised or outstanding share options and vested or outstanding awarded Shares and awards but excluding any awards, share options and share awards lapsed in accordance with the terms of the 2024 Share Award Scheme or any other schemes) to each participant in any 12-month period up to and including the relevant offer date shall not exceed 1% of the total number of shares in issue (the "**Individual Limit**").

The grant price of the awarded shares (if any) shall be such price which shall be determined by the board from time to time based on considerations such as the purpose of the award and the characteristics and profile of the selected person, which shall be paid to the Company within the time stated in the grant letter which shall be determined by the board from time to time.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes (Continued)

During the years ended 31 August 2024 and 2023, the Company did not acquire any of its ordinary shares for the purpose of the 2019 Share Award Scheme and the 2024 Share Award Scheme.

The following tables disclose movements in the Company's share awards under the 2019 Share Award Scheme and the 2024 Share Award Scheme during the reporting period:

For the year ended 31 August 2024

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2023	Granted during the year	Vested during the year	Forfeited during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2024
Directors								
Mr. Liu	24 May 2024	26 May 2025	—	1,044,177	—	—	—	1,044,177
Ms. Chen	24 May 2024	26 May 2025	—	602,410	—	—	—	602,410
Ms. Liu	22 February 2021	8 December 2023	16,304	—	(16,304)	—	—	—
	22 February 2021	27 March 2024	16,306	—	(16,306)	—	—	—
	24 May 2024	26 May 2025	—	1,004,016	—	—	—	1,004,016
Directors in aggregate			32,610	2,650,603	(32,610)	—	—	2,650,603
Associates of directors and substantial shareholders *(Note i)*								
Mr. Liu Chi Hin	22 February 2021	8 December 2023	8,152	—	(8,152)	—	—	—
(son of Mr. Liu	22 February 2021	27 March 2024	8,153	—	(8,153)	—	—	—
and Ms. Chen)	24 May 2024	26 May 2025	—	401,606	—	—	—	401,606
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	24 May 2024	26 May 2025	—	401,606	—	—	—	401,606
Associates of directors and substantial shareholders in aggregate			16,305	803,212	(16,305)	—	—	803,212
Employees	22 February 2021	8 December 2023	114,406	—	(94,378)	(20,028)	—	—
(non-	22 February 2021	27 March 2024	161,373	—	(104,717)	(56,656)	—	—
connected	29 April 2021	8 December 2023	70,527	—	(53,008)	(17,519)	—	—
persons)	29 April 2021	27 March 2024	58,947	—	(50,889)	(8,058)	—	—
(Note ii)	24 May 2024	26 May 2025	—	975,904	—	—	—	975,904
Employees (non-connected persons) in aggregate			405,253	975,904	(302,992)	(102,261)	—	975,904
Total			454,168	4,429,719	(351,907)	(102,261)	—	4,429,719

Notes:

i. Mr. Liu Chi Hin and Mr. Liu Chi Wai are employees of the Group.

ii. Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes (Continued)

For the year ended 31 August 2023

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2022	Granted during the year	Vested during the year	Forfeited during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2023
Directors								
Mr. Liu	21 January 2020	9 December 2022	77,002	—	(77,002)	—	—	—
	21 January 2020	29 March 2023	77,002	—	(77,002)	—	—	—
Ms. Chen	21 January 2020	9 December 2022	15,400	—	(15,400)	—	—	—
	21 January 2020	29 March 2023	15,402	—	(15,402)	—	—	—
Ms. Liu	21 January 2020	9 December 2022	46,201	—	(46,201)	—	—	—
	21 January 2020	29 March 2023	46,202	—	(46,202)	—	—	—
	22 February 2021	9 December 2022	16,304	—	(16,304)	—	—	—
	22 February 2021	29 March 2023	16,304	—	(16,304)	—	—	—
	22 February 2021	8 December 2023	16,304	—	—	—	—	16,304
	22 February 2021	27 March 2024	16,306	—	—	—	—	16,306
Mr. Liu Yung Kan	21 January 2020	9 December 2022	10,780	—	(10,780)	—	—	—
	21 January 2020	29 March 2023	10,782	—	(10,782)	—	—	—
Mr. Xu Gang	21 January 2020	9 December 2022	3,080	—	(2,941)	(139)	—	—
	21 January 2020	29 March 2023	3,080	—	(2,946)	(134)	—	—
Mr. Li Jiatong	21 January 2020	9 December 2022	3,080	—	(3,080)	—	—	—
	21 January 2020	29 March 2023	3,080	—	(3,080)	—	—	—
Directors in aggregate			376,309	—	(343,426)	(273)	—	32,610

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes (Continued)

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2022	Granted during the year	Vested during the year	Forfeited during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2023
Associates of directors and substantial shareholders *(Note i)*								
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	9 December 2022	4,620	—	(4,412)	(208)	—	—
	21 January 2020	29 March 2023	4,621	—	(4,420)	(201)	—	—
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	21 January 2020	9 December 2022	15,400	—	(15,400)	—	—	—
	21 January 2020	29 March 2023	15,402	—	(15,402)	—	—	—
	22 February 2021	9 December 2022	8,152	—	(8,152)	—	—	—
	22 February 2021	29 March 2023	8,152	—	(8,152)	—	—	—
	22 February 2021	8 December 2023	8,152	—	—	—	—	8,152
	22 February 2021	27 March 2024	8,153	—	—	—	—	8,153
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	9 December 2022	12,320	—	(12,320)	—	—	—
	21 January 2020	29 March 2023	12,322	—	(12,322)	—	—	—
Associates of directors and substantial shareholders in aggregate			97,294	—	(80,580)	(409)	—	16,305
Employees (non-connected persons) *(Note ii)*	21 January 2020	9 December 2022	103,180	—	(85,477)	(17,703)	—	—
	21 January 2020	29 March 2023	103,197	—	(94,975)	(8,222)	—	—
	22 February 2021	9 December 2022	114,781	—	(96,495)	(18,286)	—	—
	22 February 2021	29 March 2023	161,737	—	(137,478)	(24,259)	—	—
	22 February 2021	8 December 2023	114,781	—	—	(375)	—	114,406
	22 February 2021	27 March 2024	161,748	—	—	(375)	—	161,373
	29 April 2021	9 December 2022	59,123	—	(48,847)	(10,276)	—	—
	29 April 2021	29 March 2023	47,544	—	(43,464)	(4,080)	—	—
	29 April 2021	8 December 2023	70,527	—	—	—	—	70,527
	29 April 2021	27 March 2024	58,947	—	—	—	—	58,947
	15 July 2022	8 December 2022	18,100	—	(18,100)	—	—	—
	15 July 2022	28 March 2023	9,050	—	(6,788)	(2,262)	—	—
	15 July 2022	7 December 2023	18,100	—	—	(18,100)	—	—
	15 July 2022	26 March 2024	9,050	—	—	(9,050)	—	—
	15 July 2022	14 December 2024	6,786	—	—	(6,786)	—	—
Employees (non-connected persons) in aggregate			1,056,651	—	(531,624)	(119,774)	—	405,253
Total			1,530,254	—	(955,630)	(120,456)	—	454,168

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Schemes (Continued)

Notes:

i. Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are employees of the Group.

ii. Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to equity holders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes borrowings and lease liabilities disclosed in notes 26 and 28 respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves including retained profits.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through new share issues, raise new debts as well as the redemption of the existing debts.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
FVTPL	**213,707**	12,422
Financial assets at amortised cost	**2,256,431**	2,167,609
	2,470,138	2,180,031
Financial liabilities		
Amortised cost	**2,146,556**	2,204,529

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, amount(s) due from (to) related parties/a non-controlling shareholder, financial assets at FVTPL, bank balances, deposits and cash, trade payables, other payables, bank and other borrowings, dividend payable and loan due to a shareholder. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments and lease liabilities and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. These risks include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (see note 28 for details) and fixed-rate bank and other borrowings (see note 26 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 22 for details), variable-rate bank and other borrowings (see note 26 for details) and loan due to a shareholder (see note 38 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Benchmark Borrowing Rate of the People's Bank of China. It is the Group's policy to keep certain borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and bank and other borrowings at the end of the reporting period and assumed that the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase or decrease for bank balances and 50 basis points increase or decrease for variable-rate bank and other borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower for bank balances, and all other variables were held constant, the Group's post-tax profit for the year ended 31 August 2024 would increase/decrease by RMB1,553,000 (2023: RMB1,498,000).

If interest rates had been 50 basis points higher/lower for bank and other borrowings, and all other variables were held constant, the Group's post-tax profit for the year ended 31 August 2024would decrease/increase by RMB5,584,000 (2023: RMB5,672,000).

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Currency risk

The Group has certain bank balances, amounts due from/to fellow subsidiaries denominated in currencies other than the functional currency of the respective group entities ("**foreign currencies**"), which expose the Group to foreign currency risk. The net amounts of the Group's monetary assets and monetary liabilities at the reporting date that are denominated in foreign currencies are as follows:

	2024 *RMB'000*	2023 *RMB'000*
RMB assets	**715,046**	574,347
AU$ assets	**7,218**	19,757

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Sensitivity analysis

The Group is mainly exposed to currency risk of RMB and AU$. The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. 5% represents the reasonably possible change in foreign exchange rates if currency risk is to be assessed by key management. The sensitivity analysis includes only outstanding relevant foreign currencies denominated monetary items. The sensitivity analysis adjusts their translation at the end of the reporting period for a 5% change in foreign currencies rates. A positive number below indicates an increase in post-tax profit where the relevant functional currencies of the relevant group entities strengthens 5% against the relevant foreign currencies. For a 5% weakening of the functional currencies of the relevant group entities against the relevant foreign currencies, there would be an equal and opposite impact on the profit.

	2024 *RMB'000*	2023 *RMB'000*
HK$ (as functional currency of the relevant group entities) against RMB$	**(29,853)**	(23,979)
HK$ (as functional currency of the relevant group entities) against AU$	**(301)**	(825)

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk

The Group is exposed to price risk through its investments in the structured deposits issued by the banks in the PRC (classified as financial assets at FVTPL) which is attributable to the changes in estimated return and discount rate.

The management considers the price risk of the Group on its investments in the structured deposits is limited as the maturity periods of these investments are short and the counterparties of these investments are those financial institutions with high credit ratings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, deposits and other receivables, amount due from a non-controlling shareholder, bank balances and restricted bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise the credit risk on trade receivables, deposits and other receivables, amount due from a non-controlling shareholder, bank balances and restricted bank deposits, the management makes periodic collective as well as individual assessments on the recoverability of receivables based on historical settlement records and past experience.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of students in the PRC, Singapore and Australia.

Impairment assessments on trade receivables from students

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from students. Trade receivables from students are considered to be credit-impaired when the students drop out from school and are assessed individually. The management assessed the expected loss on trade receivables grouped based on the ageing of the trade receivables, taking into account the historical default experience and forward-looking information, as appropriate.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessments on trade receivables from students (Continued)

In addition, the Group performs impairment assessment under ECL model on the trade receivables from students (not credit-impaired) based on a collective basis. The trade receivables from students that are credit-impaired with gross carrying amount of RMB1,263,000 as at 31 August 2024 was assessed individually (2023: RMB1,048,000).

In addition, the directors of the Company are of the opinion that there has no default occurred for trade receivables overdue over 90 days for students that are not dropped out from schools as the tuition fees and boarding fees will be fully received upon the graduation of the students by reference to past experience.

Bank balances and restricted bank deposits

The Group assessed the loss allowances for bank balances and restricted bank deposits on 12m ECL basis.

The management of the Group considers bank balances and restricted bank deposits that are deposited with the financial institutions with high credit rating to be low credit risk financial assets. The management of the Group considers these bank balances and restricted bank deposits are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers, and accordingly, loss allowance was considered as insignificant.

Deposits and other receivables

For deposits and other receivables, the management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 August 2024, the Group assessed the ECL for deposits and other receivables to be insignificant and thus no loss allowance for credit losses was recognised (2023: nil).

Amount due from a non-controlling shareholder

For amount due from a non-controlling shareholder, the management considers that there is a significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on lifetime ECL. Impairment of RMB11,732,000 (2023: RMB7,464,000) was provided by the Group for the year ended 31 August 2024.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk scoring assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Normal risk	The counterparty has either a low risk of default and does not have any past-due amounts or frequently settles after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	2024 Gross carrying amount		2023 Gross carrying amount	
				RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortised cost							
Trade receivables	*21*	Note (1)	Lifetime ECL – not credit-impaired Collective basis	**5,499**		3,977	
		Loss	Credit-impaired	**1,263**	**6,762**	1,048	5,025
Bank balances and restricted bank deposits *(Note (2))*	*22*	Normal risk	12m ECL	**2,122,102**		2,002,779	
Deposits, other receivables and receivables from education departments *(Note (2))*	*21*	Normal risk	12m ECL	**82,899**		103,190	
Amount due from a non-controlling shareholder *(Note (2))*	*38*	Doubtful	Lifetime ECL – not credit-impaired	**45,931**		57,663	

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(1) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for credit-impaired balances, the Group determines the expected credit losses on these items by using a collective basis, grouped by internal credit rating.

Collective basis-trade receivables' (from students) ageing

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for trade receivables from students in relation to its private higher education and vocational education because these customers consist of a large number of students with common risk characteristics that are representative of the students' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk and ECL for trade receivables from students which are assessed collectively based on collective basis at 31 August 2024 and 2023 within lifetime ECL (not credit-impaired).

At 31 August 2024	**Average loss rate**	**Gross carrying amount** *RMB'000*	**Impairment loss allowance** *RMB'000*
0–365 days past due	—	**5,499**	**—**

At 31 August 2023	Average loss rate	Gross carrying amount *RMB'000*	Impairment loss allowance *RMB'000*
0–365 days past due	—	3,977	—

The estimated average loss rates are estimated based on historical observed default rates over the expected life of the trade receivables from students and are adjusted for forward-looking information that is available without undue cost or effort.

The grouping is regularly reviewed by the management of the Group to ensure relevant information about trade receivables from students is updated.

No impairment allowance for trade receivables was recognised based on the collective basis during the years ended 31 August 2024 and 2023.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(1) (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables from students under the simplified approach:

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
At 31 August 2022 and 1 September 2022	—	438	438
Change due to financial instruments recognised at 1 September 2022:			
— Transfer to credit-impaired	—	—	—
— Write-offs	—	(438)	(438)
New financial assets originated			
— Impairment losses recognised	—	1,048	1,048
— Write-offs	—	—	—
At 31 August 2023	—	1,048	1,048
Change due to financial instruments recognised at 1 September 2023:			
— Transfer to credit-impaired	**—**	**—**	**—**
— Write-offs	**—**	**(1,048)**	**(1,048)**
New financial assets originated			
— Impairment losses recognised	**—**	**1,263**	**1,263**
— Write-offs	**—**	**—**	**—**
At 31 August 2024	**—**	**1,263**	**1,263**

The Group writes off a trade receivable when there is information indicating that the student is in severe financial difficulty and there is no realistic prospect of recovery, or when the student is dropped out from the tuition programme, whichever occurs earlier. None of trade receivables that have been written off is subject to enforcement activities.

(2) The Group assessed the loss allowance for bank balances and restricted bank deposits, deposits, other receivables and receivables from education departments, amount due from a non-controlling shareholder on 12m ECL basis. In determining the ECL of the bank balances and restricted bank deposits, the Group has taken into account the counterparties are reputable banks with high credit ratings assigned by international credit agencies and forward-looking information as appropriate. The Group assessed 12m ECL for bank balances and restricted bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies and the management considers that the ECL on the bank balances is immaterial. In determining the ECL other than the bank balances and restricted bank deposits, the Group has taken into account the historical default experience and forward-looking information as appropriate, including changes in growth rate of gross domestic product of the PRC. There had been no significant increase in credit risk since initial recognition. The Group has considered the consistently low historical default rate in connection with payments and concluded that the ECL on these balances is immaterial.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on bank and other borrowings as a significant source of liquidity.

The Group had net current liabilities of RMB265,170,000 as at 31 August 2024. At the end of the reporting period, the Group has taken appropriate measures as set out in note 2.2 to the consolidated financial statements to mitigate such liquidity risk.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

	Weighted average effective interest rate	On demand or less than 1 month	1–3 months	3 months to 1 year	1–2 years	2–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	—	335,064	—	—	—	—	—	335,064	335,064
Amounts due to related parties	—	2,784	—	—	—	—	—	2,784	2,784
Bank and other borrowings									
— fixed rate	3.7	449	21,058	104,394	6,516	38,174	20,825	191,416	183,100
— variable rate	3.9	35,447	17,003	301,125	308,534	905,517	66,824	1,634,450	1,489,105
Loan due to a shareholder	5.3	—	—	36,471	—	—	—	36,471	36,471
Dividend payable	—	—	—	100,032	—	—	—	100,032	100,032
Lease liabilities	4.0	333	685	1,896	1,165	1,808	3,000	8,887	7,272
At 31 August 2024		374,077	38,746	543,918	316,215	945,499	90,649	2,309,104	2,153,828
Trade and other payables	—	386,376	—	—	—	—	—	386,376	386,376
Amounts due to related parties	—	2,638	—	—	—	—	—	2,638	2,638
Bank and other borrowings									
— fixed rate	3.5	688	17,924	171,714	36,257	75,378	20,825	322,786	302,910
— variable rate	4.2	20,351	13,136	304,424	346,418	990,814	58,157	1,733,300	1,512,605
Lease liabilities	5.7	599	1,216	4,675	2,598	1,800	3,600	14,488	12,728
At 31 August 2023		410,652	32,276	480,813	385,273	1,067,992	82,582	2,459,588	2,217,257

34. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments

(i) *Fair value of the Group's financial assets that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial assets at FVTPL	At 31 August 2024: RMB213,707,000 (31 August 2023: RMB12,422,000)	Level 3	Discounted cash flow — Future cash flows are estimated based on estimated return ranging from 1.2% to 2.97% (2023: 2.17% to 2.46%) per annum, and discounted at a rate of 1.79% (2023: 2.36%) for the year	Estimated return and discount rate

If the estimated return is multiplied by 110%/90%, while all the other variables were held constant, the carrying amount of the financial assets at FVTPL would increase/decrease by RMB75,000 (31 August 2023: RMB66,000) at the end of the reporting period.

If the discount rate is multiplied by 110%/90%, while all the other variables were held constant, the carrying amount of the financial assets at FVTPL would decrease/increase by RMB40,000 (31 August 2023: RMB10,000) at the end of the reporting period.

34. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 Measurements

The following table presents the reconciliation of Level 3 Measurements of the financial assets at FVTPL during the reporting period:

	RMB'000
At 1 September 2022	140,048
Addition	1,591,131
Redemption	(1,722,842)
Fair value change	4,085
At 31 August 2023	12,422
Addition	**1,326,583**
Redemption	**(1,126,563)**
Fair value change	**1,265**
At 31 August 2024	**213,707**

The chief financial officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. The chief financial officer of the Company reports the findings to the board of directors of the Company when needed to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

(iii) Fair value of financial instruments that are recorded at amortised cost

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

The fair values of the financial assets and financial liabilities recorded at amortised cost have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

35. CAPITAL COMMITMENTS

	2024 RMB'000	2023 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment	**300,823**	286,530

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividend payable RMB'000	Lease liabilities RMB'000	Bank and other borrowings RMB'000	Other payables RMB'000	Loan due to a shareholder RMB'000	Total RMB'000
At 1 September 2022	—	18,730	1,662,785	—	—	1,681,515
Financing cash flows	(59,168)	(8,729)	141,508	(81,706)	—	(8,095)
Dividend declared	(141,372)	—	—	—	—	(141,372)
Scrip dividends *(Note 13)*	200,540	—	—	—	—	200,540
New leases entered	—	5,098	—	—	—	5,098
Early termination of lease	—	(4,285)	—	—	—	(4,285)
Interest expenses	—	758	—	86,405	—	87,163
Foreign exchange translation	—	1,156	11,222	—	—	12,378
At 31 August 2023	—	12,728	1,815,515	4,699	—	1,832,942
Financing cash flows	**(92,193)**	**(7,203)**	**(142,330)**	**(83,899)**	**36,471**	**(289,154)**
Dividend declared	**193,293**	**—**	**—**	**—**	**—**	**193,293**
Scrip dividends *(Note 13)*	**(1,068)**	**—**	**—**	**—**	**—**	**(1,068)**
New leases entered	**—**	**498**	**—**	**—**	**—**	**498**
Interest expenses	**—**	**535**	**—**	**79,200**	**—**	**79,735**
Foreign exchange translation	**—**	**714**	**(980)**	**—**	**—**	**(266)**
At 31 August 2024	**100,032**	**7,272**	**1,672,205**	**—**	**36,471**	**1,815,980**

Note: The cash flows represent (i) the addition of and repayment of bank and other borrowings and lease liabilities and interest paid, and (ii) payment of dividends.

37. PLEDGE OF ASSETS

As at 31 August 2024, bank borrowings of RMB1,070,036,000 (2023: RMB1,377,748,000) were secured by the rights to receive the tuition fees and boarding fees of subsidiaries of the Group and bank borrowing of RMB493,436,000 were secured by certain of the Group's bank deposits of RMB50,416,000 (2023: bank borrowings of RMB137,307,000 were secured by deposits of RMB14,500,000).

38. RELATED PARTIES DISCLOSURES

Related party balances

The amounts due to related parties, entities controlled by Mr. Liu and Ms. Chen, amounted to RMB2,784,000 as at 31 August 2024 (2023: RMB2,638,000) which mainly arises from the hotel service and vehicle related payable to these related parties and aged 0–90 days.

The amount due from a non-controlling shareholder is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The loan due to a shareholder was from the Group's immediate holding company, BVI Holdco and is unsecured, interest bearing at the Hong Kong Interbank Offered Rate ("**HIBOR**") plus an interest margin of 1% per annum and has a maturity of 1 year.

38. RELATED PARTIES DISCLOSURES (Continued)

Related party transactions

During the year, the Group entered into the following transactions with related parties:

Related parties	Relationship	Nature of transactions	2024 RMB'000	2023 RMB'000
環球移動公司 (Global Move Pty. Ltd)	An entity controlled by Mr. Liu and Ms. Chen	Payment of lease liabilities	**1,236**	1,110
		Interest expenses on lease liabilities	**38**	114
		Management fee expense paid	**25**	—
Triple Way Investments (Australia) Pty. Ltd	An entity controlled by Mr. Liu and Ms. Chen	Payment of lease liabilities	**857**	770
		Interest expenses on lease liabilities	**26**	79
		Management fee expense paid	**5**	—
廣州太陽城大酒店有限公司 (Guangzhou Sun City Hotel Co., Ltd.)	An entity controlled by Mr. Liu and Ms. Chen	Hotel service expenses paid	**1,461**	1,521
		Payment of lease liabilities	**1,310**	3,498
		Interest expenses on lease liabilities	**236**	253
		Management fee expense paid	**—**	468
		Management fee income received	**8**	—
		Travel agency fee paid	**390**	—
廣州怡眾旅行社有限公司 (Guangzhou Yizhong Travel Agency Co., Ltd.)	An entity controlled by Mr. Liu and Ms. Chen	Management fee income received	**—**	13
		Travel agency fees paid	**845**	269
廣州市華商外語實驗高級中學有限公司	An entity controlled by Mr. Liu	Management fee income	**—**	1,209
廣州市七彩澳遊旅遊發展有限公司	An entity controlled by Mr. Liu	Management fee paid	**—**	9
四川師範大學	An entity controlled by Mr. Liu	Management fee expense paid	**289**	—
		Management fee income received	**184**	—

38. RELATED PARTIES DISCLOSURES (Continued)

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management of the Group are as follows:

	2024	2023
	RMB'000	*RMB'000*
Short-term benefits	**11,281**	7,616
Post-employment benefits	**63**	93
Share-based payments	**2,503**	1,970
	13,847	9,679

The remuneration of director and key executives is determined having regard to the performance of individuals and market trends.

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The Company has the following principal subsidiaries:

Name of subsidiaries	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August		Equity interests attributable to the Group At 31 August		Principal activities
		2024	2023	**2024**	2023	
Huashang Overseas Education Holding Limited	19 March 2018 BVI	**US$1,000**	US$1,000	**100%**	100%	Investment holding
Huashang Education Group Company Limited	21 September 2015 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding and provision of management services
廣州沃冠教育諮詢有限公司 (Guangzhou Woguan Education Consulting Co., Ltd.)	10 October 2016 PRC *(Note ii)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Provision of education consulting services
Guangzhou Zhiheng Education Consulting Co., Ltd ("**Guangzhou Zhiheng Education**")	4 December 2015 The PRC *(Note i)*	**RMB30,000,000**	RMB30,000,000	**100%**	100%	Provision of education consulting services
Sun City Development	9 December 2003 The PRC *(Note i)*	**RMB150,000,000**	RMB150,000,000	**100%**	100%	Provision of education investment
Huashang College	30 May 2006 The PRC *(Note i)*	**RMB30,000,000**	RMB30,000,000	**100%**	100%	Provision of private higher education institution
Huashang Vocational College	25 June 2009 The PRC *(Note i)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Provision of vocational education

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

The Company has the following principal subsidiaries: (Continued)

Name of subsidiaries	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2024	2023	Equity interests attributable to the Group At 31 August 2024	2023	Principal activities
Edvantage Institute Australia Pty. Ltd. (formerly known as Global Higher Education Australia Pty. Ltd.)	8 February 2017 Australia	**AUD2,610,000**	AUD2,610,000	**100%**	100%	Provision of vocational education training in Australia
Global Business College of Australia Pty. Ltd.	26 June 2014 Australia	**AUD1,810,000**	AUD1,810,000	**100%**	100%	Provision of vocational education training in Australia
Orient Fortune Inc Limited	1 September 2014 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding
Huashang Education Service Holding Limited	19 March 2018 BVI	**US$1,000**	US$1,000	**100%**	100%	Investment holding
Shiny World (China) Limited	3 January 2014 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding and provision of management services
Global Education Professional Advisory	4 October 2016 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Provision of management services
廣州市華港企業管理有限公司 (Guangzhou Huagang Enterprise Management Co. Ltd.)	25 August 2014 The PRC *(Note ii)*	**RMB60,000,000**	RMB60,000,000	**100%**	100%	Investment holding and provision of management services
廣州市昊軒信息科技有限公司 (Guangzhou Haoxuan Information Technology Co., Ltd.)	18 April 2011 The PRC *(Note i)*	**RMB500,000**	RMB500,000	**100%**	100%	Provision of IT consultation services and retail of software
廣州市毅翔物業管理有限公司 (Guangzhou Yixiang Property Management Co., Ltd.)	18 April 2011 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of property management and landscaping services
廣州市欣躍貿易有限公司 (Guangzhou Xinyue Trading Co., Ltd.)	28 September 2014 The PRC *(Note i)*	**RMB500,000**	RMB500,000	**100%**	100%	Procurement of school supplies
廣州市華威教育諮詢有限公司 (Guangzhou Huawei Education Consulting Co., Ltd.)	18 November 2010 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of education consultancy and language training services
廣州市華嘉裝飾工程有限公司 (Guangzhou Huajia Renovation Co., Ltd.) *(Note iv)*	6 June 2012 The PRC *(Note i)*	**–**	RMB500,000	**–**	100%	Provision of estate decoration services

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

The Company has the following principal subsidiaries: (Continued)

Name of subsidiaries	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2024	2023	Equity interests attributable to the Group At 31 August 2024	2023	Principal activities
新疆藍思信息科技有限公司 (Xinjiang Lansi Information Technology Co., Ltd.)	28 February 2018 The PRC *(Note ii)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of software development and IT consulting services
新疆卓蘊文化服務有限公司 (Xinjiang Zhuoyun Cultural Services Co., Ltd.)	28 February 2018 The PRC *(Note ii)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of advertisement design services
Huashang Education Co., Ltd	24 January 2020 United Kingdom	**GBP1**	GBP1	**100%**	100%	Inactive
Huashang Education Pte. Ltd.	21 November 2019 Singapore	**SGD1,000**	SGD1,000	**100%**	100%	Investment holding
Edvantage Institute (Singapore)	26 December 2019 Singapore	**SGD792,000**	SGD592,000	**100%**	100%	Provision of vocational education
大灣區商學院有限公司 (GBA Business School Limited)	4 October 2019 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Provision of education and training services
肇慶華商教育投資有限公司 (Zhaoqing Huashang Education Investment Co., Ltd)	27 July 2017 The PRC *(Note i)*	**RMB30,000,000**	RMB30,000,000	**100%**	100%	Provision of property management
華商(深圳)科技教育服務有限公司 (Huashang (Shenzhen) Science and Technology Education Service Co., Ltd)	23 July 2020 The PRC *(Note i)*	**RMB5,000,000**	RMB5,000,000	**100%**	100%	Science and technology promotion and application services
南寧市卓文教育諮詢服務有限公司 (Nanning Zhuowen Education Consulting Services Co., Ltd.) ("**Nanning Zhuowen Education**")	28 August 2020 The PRC *(Note i)*	**RMB5,000,000**	RMB50,000,000	**100%**	100%	Provision of consulting services
Sichuan New Concept Education	23 August 2002 The PRC *(Note i)*	**RMB26,000,000**	RMB26,000,000	**51%**	51%	Investment holding
四川城市職業學院 (Urban Vocational College of Sichuan)	29 July 2008 The PRC *(Note i)*	**RMB10,000,000**	RMB10,000,000	**51%**	51%	Provision of vocation education
四川城市技師學院 (Urban Technician College of Sichuan)	22 May 2018 The PRC *(Note i)*	**RMB100,000**	RMB100,000	**51%**	51%	Provision of technician education
成都育德後勤管理有限公司 (Chengdu Yude Logistics Management Co., Ltd.) ("**Chengdu Yude**")	07 July 2015 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**51%**	51%	Provision of property management and landscaping services
中匯智慧雲教育(深圳)有限責任公司	19 March 2021 The PRC *(Note i)*	**RMB100,000,000**	RMB100,000,000	**90%**	90%	Provision of technician education

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

The Company has the following principal subsidiaries: (Continued)

Name of subsidiaries	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2024	Issued share capital/ registered capital At 31 August 2023	Equity interests attributable to the Group At 31 August 2024	Equity interests attributable to the Group At 31 August 2023	Principal activities
深圳前海卓創教育投資有限公司 (Shenzhen Qianhai Zhuochuang Education Investment Co., Ltd.) ("**Shenzhen Zhuochuang Education**")	22 March 2016 The PRC *(Note i)*	**RMB5,000,000**	RMB5,000,000	**100%**	100%	Provision of IT consultation services
廣東太陽城實業有限公司 (Guangdong Sun City Industrial Co., Ltd.) ("**Guangdong Sun City Industrial**")	8 May 2007 The PRC *(Note i)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Investment holding
廣東華商技工學校 (Guangdong Huashang Technical School) *(Notes iii)*	13 September 2007 The PRC *(Note i)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Provision of vocational education services
廣州醫美學遠科技發展有限公司 (Guangzhou Medical Aesthetic Science and Technology Development Co., Ltd.)	5 May 2022 The PRC *(Note i)*	**RMB10,000,000**	RMB10,000,000	**60%**	60%	Inactive
廣州中繪數碼科技有限公司 (Guangzhou Zhonghui Technology Co., Ltd.)	16 March 2022 The PRC *(Note i)*	**RMB1,200,000**	RMB1,200,000	**75%**	75%	Provision of software and information technology services
大灣區商學院基金會有限公司 (GBABS Foundation Limited)	22 June 2022 Hong Kong	**nil**	nil	**100%**	100%	Provision of education and training services
廣州市華商教育控股集團有限公司	2 March 2017	**RMB30,000,000**	RMB30,000,000	**100%**	100%	Investment holding
廣州桃花島商業諮詢有限公司 Guangzhou Taohua Island Business Consulting Co., Ltd	20 October 2023 The PRC *(Note i)*	**RMB1,000,000**	—	**100%**	—	Commercial Service Industry
廣州桃花島電商諮詢有限公司 Guangzhou Taohua Island E-commerce Consulting Co., Ltd (GuangZhou Taohua Island E-commerce Consulting)	14 February 2022 The PRC *(Note i)*	**RMB1,000,000**	—	**100%**	—	Commercial Service Industry
廣州華嘉建築工程管理有限公司 Guangzhou Huajia Construction Engineering Management Co., Ltd	28 September 2023 The PRC *(Note i)*	**RMB1,000,000**	—	**100%**	—	Planning and Design Management
廣州市毅啟物業管理有限公司 Guangzhou Yiqi Property Management Co., Ltd.	1 March 2024 The PRC *(Note i)*	**RMB1,000,000**	—	**100%**	—	Estate management
廣州市昊迅信息科技有限公司 Guangzhou Haoxun Information Technology Co., Ltd	26 September 2024 The PRC *(Note i)*	**RMB500,000**	—	**100%**	—	Food Internet sales
廣西青創雲校網路科技有限公司 Guangxi Qingchuang Cloud School Network Technology Co., Ltd. (Guangxi Qingchuang)	4 April 2020 The PRC *(Note i)*	**RMB2,100,000**	—	**100%**	—	Information consultation

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Notes:

(i) These subsidiaries are registered as wholly-domestic-owned enterprises under the laws of the PRC.

(ii) These subsidiaries are registered as wholly-foreign-owned enterprises under the laws of the PRC.

(iii) The company is the subsidiary of Guangdong Sun City Industrial Co., Ltd.

(iv) Guangzhou Huajia Renovation Co., Ltd. was deregistered on 6 December 2023.

None of the subsidiaries had issued any debt securities at the end of the year.

The table below details of non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of establishment and principal place of business	Proportion of ownership interests held by non-controlling interests		Total profit allocated to non-controlling interests		Accumulated non-controlling interests	
		At 31 August		For the year ended 31 August		At 31 August	
		2024	2023	**2024**	2023	**2024**	2023
				RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Sichuan New Concept Group	The PRC	**49%**	49%	**92,488**	102,154	**784,088**	693,632
Individually immaterial subsidiaries with non-controlling interests						**(1,838)**	(757)
						782,250	692,875

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Sichuan New Concept Group

	2024 RMB'000	2023 RMB'000
Current assets	**389,806**	372,695
Non-current assets	**2,163,927**	2,146,579
Current liabilities	**(665,319)**	(818,578)
Non-current liabilities	**(288,236)**	(285,119)
Equity attributable to owners of the Company	**816,090**	721,945
Non-controlling interest of Sichuan New Concept	**784,088**	693,632

	2024 RMB'000	2023 RMB'000
Revenue	**583,916**	507,046
Expenses	**(395,166)**	(296,643)
Profit for the year	**188,750**	210,403
Profit attributable to owners of the Company	**96,262**	108,249
Profit attributable to the non-controlling interests	**92,488**	102,154
Net cash inflow from operating activities	**340,406**	429,317
Net cash outflow from investing activities	**(271,138)**	(286,498)
Net cash (outflow) inflow from financing activities	**(111,965)**	3,250
Net cash (outflow) inflow	**(42,697)**	146,069

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Investment in a subsidiary	7	7
Amounts due from subsidiaries	1,052,164	1,072,877
	1,052,171	1,072,884
CURRENT ASSETS		
Other receivables and prepayments	617	—
Bank balances and cash	101,613	128,949
	102,230	128,949
CURRENT LIABILITIES		
Other payables and accrued expenses	204	484
Amounts due to subsidiaries	112,261	3,588
Loan due to a shareholder	36,471	—
Bank borrowings	184,725	153,326
Dividends payable	100,032	—
	433,693	157,398
NET CURRENT LIABILITIES	331,463	28,449
TOTAL ASSETS LESS CURRENT LIABILITIES	720,708	1,044,435
NON-CURRENT LIABILITY		
Bank borrowings	—	130,442
	—	130,442
	720,708	913,993
CAPITAL AND RESERVES		
Share capital	78,416	78,347
Reserves	642,292	835,646
	720,708	913,993

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium RMB'000	Shares held under share award scheme RMB'000	Share award reserve RMB'000	Share option reserve RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 September 2022	882,928	(34,556)	6,712	14,732	—	36,740	906,556
Loss and other comprehensive expense for the year	—	—	—	—	—	(13,897)	(13,897)
Dividends recognised as distribution *(Note 13)*	(59,168)	—	—	—	—	—	(59,168)
Share options forfeited	—	—	—	(105)	—	105	—
Issue of shares upon exercise of share options	10	—	—	(3)	—	—	7
Issue of shares	(4,151)	—	—	—	—	—	(4,151)
Share awards vested	—	5,766	(5,510)	—	—	(256)	—
Share awards forfeited	—	—	(635)	—	—	635	—
Recognition of share-based payments	—	—	2,545	3,754	—	—	6,299
At 31 August 2023	819,619	(28,790)	3,112	18,378	—	23,327	835,646
Loss and other comprehensive expense for the year	—	—	—	—	—	(5,247)	(5,247)
Cash dividends	**(92,193)**	**—**	**—**	**—**	**—**	**—**	**(92,193)**
Dividends declared	**(100,032)**	**—**	**—**	**—**	**—**	**—**	**(100,032)**
Share options forfeited	**—**	**—**	**—**	**(1,544)**	**—**	**1,544**	**—**
Issue of shares upon exercise of share options	**1,426**	**—**	**—**	**(346)**	**—**	**—**	**1,080**
Issue of shares	**(33)**	**—**	**—**	**—**	**—**	**—**	**(33)**
Share awards vested	**—**	**2,224**	**(2,892)**	**—**	**—**	**668**	**—**
Share awards forfeited	**—**	**—**	**(843)**	**—**	**—**	**843**	**—**
Recognition of share-based payments	**—**	**—**	**3,053**	**415**	**—**	**—**	**3,468**
Transfer	**—**	**—**	**—**	**—**	**(397)**	**—**	**(397)**
At 31 August 2024	**628,787**	**(26,566)**	**2,430**	**16,903**	**(397)**	**21,135**	**642,292**

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in the consolidated financial statements with no effect on previously reported results and equity so as to conform to the current year's presentation.