

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



博駿教育  
BOJUN EDU

## Bojun Education Company Limited

博駿教育有限公司

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

**(Stock Code: 1758)**

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

#### HIGHLIGHTS

	As at 28 February 2025	As at 29 February 2024	Change	Change in percentage
Total Student Enrolment	31,081	32,693	(1,612)	(4.9%)
	<b>Six months ended</b>			
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)	Change RMB'000	Change in percentage
<b>Selected financial information</b>				
<i>RMB'000</i>				
Revenue	207,419	227,480	(70,061)	(25.2%)
Gross profit	107,132	106,721	411	0.4%
Profit for the period	(9,857)	3,902	(13,759)	(352.6%)
Profit for the period attributable to owners of the Company	(6,539)	5,834	(12,373)	(212.1%)
Basic earnings per share (RMB cent)	(0.72)	0.66	(1.38)	(212.1%)
Diluted	N/A	0.66	N/A	N/A

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of Bojun Education Company Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, collectively the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 28 February 2025 (the “**Reporting Period**”).

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

*For the six months ended 28 February 2025*

		Six months ended	
		28 February 2025	29 February 2024
	Notes	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue	4	207,419	227,480
Costs of services		(100,287)	(120,759)
Gross profit		107,132	106,721
Other income	5	5,004	6,523
Other gains, net	6	6,710	19,138
Administrative expenses		(56,007)	(53,318)
Selling expense		(24,400)	(26,996)
Finance costs	7	(48,030)	(44,880)
(Loss)/profit before tax	9	(9,591)	7,188
Income tax expenses	8	(266)	(3,286)
(Loss)/profit and total comprehensive (expense)/income for the year	9	(9,857)	3,902
(Loss)/profit and total comprehensive (expense)/income for the year attributable to:			
— Owners of the Company		(6,539)	5,834
— Non-controlling interests		(3,318)	(1,932)
		(9,857)	3,902
(Loss)/earnings per share attributable to the owners of the Company			
Basic (RMB cents)	10	(0.72)	0.66
Diluted (RMB cents)		N/A	0.66

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2025

		As at	
		28 February 2025	31 August 2024
	Notes	RMB'000 (unaudited)	RMB'000 (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	2,815,832	2,761,043
Right-of-use assets		749,742	757,130
Intangible assets		2,777	3,112
Goodwill		12,105	12,105
Deferred tax assets		16,713	16,905
Other receivables and deposits	12	47,465	55,223
Total non-current assets		3,644,634	3,605,518
<b>CURRENT ASSETS</b>			
Other receivables, deposits and prepayments	12	137,210	121,040
Amounts due from related companies	13	106,249	63,325
Equity investment at fair value through profit or loss		47,533	—
Bank balances and cash	14	124,004	225,803
Total current assets		414,996	410,168
<b>TOTAL ASSETS</b>		<b>4,059,630</b>	<b>4,015,686</b>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	15	288,184	445,692
Contract liabilities	16	189,021	293,360
Amounts due to related companies	13	9,328	124,328
Lease liabilities		887	540
Income tax payable		14,770	12,050
Bank and other borrowings	17	740,990	328,704
Financial guarantee liabilities		15,742	25,572
Total current liabilities		1,285,922	1,230,246
<b>NET CURRENT LIABILITIES</b>		<b>(843,926)</b>	<b>(820,078)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,800,708</b>	<b>2,785,440</b>

		As at	
		28 February	31 August
		2025	2024
	Notes	RMB'000	RMB'000
		(unaudited)	(audited)
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		3,430	3,777
Bank and other borrowings	17	1,244,687	1,168,075
Other payables	15	–	1,000
Amounts due to related companies	13	566,495	612,540
Deferred income	18	418,907	422,053
Deferred tax liabilities		61,987	62,936
		<u>2,295,506</u>	<u>2,270,381</u>
Total non-current liabilities			
		<u>505,202</u>	<u>515,059</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital		7,890	7,890
Reserves		183,977	190,516
		<u>191,867</u>	<u>198,406</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Non-controlling interests		313,335	316,653
		<u>505,202</u>	<u>515,059</u>
<b>TOTAL EQUITY</b>			
		<u>505,202</u>	<u>515,059</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 28 February 2025*

## 1. CORPORATE INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 14 June 2016. On 31 July 2018, the shares of the Company (the “**Shares(s)**”) have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”).

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the principal place of business of the Company is No. 209 Sanse Road, Jinjiang District, Chengdu, Sichuan Province, the People’s Republic of China (the “**PRC**” or “**China**”). The Company is an investment holding company. The subsidiaries and consolidated affiliated entities of the Company are mainly engaged in the provision of educational services in the PRC.

The functional currency of the Company is Renminbi (“**RMB**”), which is also the presentation currency of the consolidated financial statements.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

As at 28 February 2025, the Group recorded net current liabilities of approximately RMB843,926,000 (31 August 2024: RMB820,078,000), included in which were contract liabilities of approximately RMB189,021,000 as at 28 February 2025 (31 August 2024: RMB293,360,000).

In view of the net current liability position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern after considering the following:

- (i) Mr. Wang Jinglei and the non-controlling shareholders of the Group’s subsidiaries have agreed to provide financial support of not more than RMB450 million for the Group to meet its liabilities as they fall due;
- (ii) the cash inflow generated from the operations of providing education services to students subsequent to the interim-end date; and
- (iii) the Group is contemplating an asset realisation plan and is actively exploring opportunities to dispose of its certain land and buildings. It is the intention of the Directors that such realisation plan could be finalised by 31 August 2025. As of the date of these consolidated financial statements, no definitive legally binding agreement has been entered by the Group.

Having considered the cash flows from operations and other financial supports, the Directors are of the opinion that the Group is able to meet its financial obligations in full as they fall due for the foreseeable future and it is appropriate to prepare the consolidated financial statements on a going concern basis.

### 3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2025 are the same as those used in the preparation of the annual consolidated financial statements for the year ended 31 August 2024, save for the changes in accounting policies arising from the application of the new and revised HKFRSs and their interpretations.

#### **Application of New and Revised HKFRSs and their Interpretations**

In the current year, the Group has adopted all the new and revised HKFRSs and new interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 September 2024. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“HKAS”) and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s condensed consolidated financial statements and amounts reported for the current period and prior period.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

#### **Fair Value Measurements**

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

As at 28 February 2025, the Group’s Fair Value through Profit or Loss was included in Level 1, which is the equity securities traded in the Hong Kong Exchanges and Clearing Limited, the fair value of which is based on quoted market prices at the end of the reporting period.

During the period ended 28 February 2025, there were no transfers of fair value measurements between Level 1 and Level 2, and no other transfers into or out of Level 3 for financial assets during the period.

#### 4. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents service income comprising tuition fees and boarding fees, and education consultancy and management services fees. Regarding the provision of education services, revenue, including tuition fees and boarding fees, education consultancy and management services fees (each being single performance obligation), was recognised over the relevant period of schooling semesters, i.e. over the period of time. All the contracts with customers are agreed at fixed price for a term no longer than twelve months. The revenue recognition of the period is six months during the Reporting Period. Tuition fees and boarding fees are generally paid in advance prior to the beginning of each school semester.

The Group's chief operating decision maker ("CODM") has been identified as the chief executive officer who reviews revenue analysis of the Group as a whole.

Information reported to the CODM, for the purposes of resources allocation and assessment of segment performance, focuses on types of services provided. CODM assesses the performance of teaching and boarding services provided by Chengdu Wuhou District Youshi Lidu Kindergarten Company Limited\* (成都市武侯區幼師麗都幼兒園有限公司) (formerly known as Chengdu Youshi Lidu Experimental Kindergarten\* (成都幼師麗都實驗幼兒園) ("Lidu Kindergarten"), Chengdu Youshi Riverside Impression Experimental Kindergarten\* (成都幼師河濱印象實驗幼兒園) ("Riverside Kindergarten"), Sichuan New Tianfu District No. 1 High School Attached to Sichuan Normal University\* (四川天府新區師大一中高級中學) ("Tianfu High School"), Chengdu Daiyi County Zhengzhuo Education Vocational School\* (成都市大邑縣正卓教育職業學校) (formerly known as Sichuan Winshare Vocational School\* (四川文軒職業學校)) ("Zhengzhuo Vocational School"), Sichuan Winshare Vocational College (Dayi Campus)\* (四川文軒職業學院大邑校區) ("Winshare Vocational College") and other education consultancy and management services based on revenue generated in the daily operating process on a continuing basis, taking into account the similar business model and customer type from service perspectives subject to similar regulatory environment. Accordingly, their segment information is aggregated as two reportable segments, i.e. tuition fees and boarding fees, and education consultancy and management services. The accounting policies of the reportable segments are the same described in Note 3.

	Degree education and profitable education services RMB'000	Education consultancy and management services RMB'000	Total RMB'000
<b>Six months ended 28 February 2025</b>			
Tuition fees and boarding fees	207,419	–	207,419
Education consultancy and management services fees	–	–	–
Total (unaudited)	<u>207,419</u>	<u>–</u>	<u>207,419</u>
<b>Six months ended 29 February 2024</b>			
Tuition fees and boarding fees	221,713	–	221,713
Education consultancy and management services fees	–	5,767	5,767
Total (unaudited)	<u>221,713</u>	<u>5,767</u>	<u>227,480</u>

## 5. OTHER INCOME

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Interest income from banks	310	278
Release of asset-related government grants	3,146	2,922
Others	1,548	3,323
	<u>5,004</u>	<u>6,523</u>

## 6. OTHER GAINS,NET

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Net exchange (loss)/gain	(118)	251
Amortisation of financial guarantee contracts	9,830	3,881
Unwinding of discount on consideration payables	(42)	(6,719)
Waiver of amount due to Pengzhou Bojun School	–	19,226
Changes in fair value of equity investment	566	–
Others	(3,526)	2,499
	<u>6,710</u>	<u>19,138</u>

## 7. FINANCE COSTS

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Bank borrowings	26,320	23,631
Unwinding of discount on amounts due to related companies	2,772	2,625
Others	18,938	18,624
	<u>48,030</u>	<u>44,880</u>



## 8. INCOME TAX EXPENSE

Pursuant to the PRC Income Tax Law and the respective regulations, the companies of the Group which operate in PRC are subject to PRC EIT at a rate of 25% on its taxable income.

Under the Western Development Tax Incentive Scheme\* (西部大開發稅收優惠計劃), certain subsidiaries of the Group engaged in preschool education and vocational education are subject to the preferential tax rate of 15% on their respective taxable income with an effective date on 1 January 2011.

Pursuant to State Taxation Administration Announcement 2023 No. 6\* (國家稅務總局公告2023年第6號), from 1 January 2023 to 31 December 2024, certain subsidiaries of the Group that are categorised as small and low-profit enterprises can enjoy a 20% preferential tax rate on 25% of their taxable income amount for the proportion of taxable income not exceeding RMB3 million.

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Tax expense comprises:		
PRC EIT-Current year	1,023	3,957
Deferred tax	(757)	(671)
	<u>266</u>	<u>3,286</u>

## 9. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging:

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Directors' and chief executive's remuneration	740	890
Other staff costs		
— Salaries and other benefits	45,320	49,323
— Staff welfare	2,110	702
— Retirement benefit schemes	4,980	5,333
Total staff costs	<u>53,150</u>	<u>56,248</u>
Depreciation of property, plant and equipment	50,230	50,849
Depreciation of right-of-use assets	7,388	6,739
Auditors' remuneration	<u>775</u>	<u>850</u>

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>28 February 2025 (Unaudited)</b>	<b>29 February 2024 (Unaudited)</b>
(Loss)/profit attributable to the owners of the Company (RMB'000)	<u><b>(6,539)</b></u>	<u>5,834</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000)	<b>903,138</b>	881,701
Effect of dilutive potential ordinary shares arising from share options ('000)	–	1,020
Weighted average number of ordinary shares used in diluted earnings per share calculation ('000)	<u><b>903,138</b></u>	<u>881,701</u>
Basic (loss)/earnings per share (RMB cents)	<b>(0.72)</b>	0.66
Diluted (loss)/earnings per share (RMB cents)	<u><b>N/A</b></u>	<u>0.66</u>

No adjustment has been made to the (loss)/earnings per share as the outstanding share options had anti-dilutive effect for the six months ended 28 February 2025.

## 11. PROPERTY, PLANT AND EQUIPMENT

As at 28 February 2025, the closing balance of the Group's fixed assets (excluding depreciation) comprised of: buildings and facilities of approximately RMB2,165,612,000, furniture, fixtures and equipment of approximately RMB244,505,000, motor vehicles of approximately RMB9,936,000, electronic equipment of approximately RMB496,000, leasehold improvements of approximately RMB475,000, construction in progress of approximately RMB394,808,000, totaling approximately RMB2,815,832,000.

During the Reporting Period, the Group's property, plant, and equipment has increased by approximately RMB54,789,000 from approximately RMB2,761,043,000 as at 31 August 2024. This was primarily due to the additions in the building of the new campus of the Winshare Vocational College.

## 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		As at 28 February 2025 RMB'000 (unaudited)	As at 31 August 2024 RMB'000 (audited)
	Notes		
Secured deposits for other borrowings ( <i>Note 17</i> )		25,200	24,750
Deposits for establishment of school campus	(i)	3,145	3,145
Other tax receivables	(ii)	64,703	57,022
Advances to staffs		13,890	14,993
Amount due from Hongde Guanghua	(iii)	24,364	24,364
Loan and other receivables from Daying Estate	(iv)	7,797	7,797
Loan and interest receivables from four independent vocational schools	(v)	11,775	11,482
Consideration receivable from the disposal of equity interest	(vi)	14,410	14,410
Consideration receivable from the disposal of an associate		6,500	6,500
Prepaid expenses		2,380	2,596
Other deposits and receivables		10,511	9,204
Total		<u>184,675</u>	<u>176,263</u>
Analysed into:			
— Current assets		137,210	121,040
— Non-current assets		<u>47,465</u>	<u>55,223</u>

### Notes:

- (i) The balance represents the non-interest bearing deposits placed to local government authorities for the purpose of establishment of school campus amounting to approximately RMB3,145,000 (31 August 2024: RMB3,145,000).
- (ii) The balance as at 28 February 2025 mainly represented the deductible input value-added tax generated from the procurement of construction services for the Group's buildings and facilities.
- (iii) The balance represents the refundable investment fund receivable from Sichuan Hongde Guanghua Education Management Company Limited\* (四川弘德光華教育管理有限公司) (“**Hongde Guanghua**”) in respect of the disposal of Pengzhou Bojun School, one of the Affected Entities. The carrying amount before loss allowances amounted to RMB25,357,000 (31 August 2024: RMB25,357,000).
- (iv) The balances as at 28 February 2025 represented the receivables due from Daying Tianshi Real Estate Company Limited\* (大英天世置業有限公司) (“**Daying Estate**”), a former subsidiary of Sichuan Gaojiao prior to the completion of the Acquisition on 31 August 2023. The gross amount of the outstanding receivables of approximately RMB7,797,000 (31 August 2024: RMB7,797,000) before the fair value adjustment arising from the Acquisition of subsidiaries are unsecured, non-interest bearing and without a fixed repayment term.

- (v) The balance as at 28 February 2025 represents loans and interest receivable from four independent third parties, of which the principal amount of RMB8,500,000 is unsecured, bearing interest at 6.9% per annum and repayable within one year, while the principal amount of RMB2,500,000 is unsecured, non-interest bearing and repayable within one year.
- (vi) The balances as at 28 February 2025 represented the remaining consideration receivable due from an independent third party for the disposal of the entire equity interest in Daying Estate. The gross amounts of the consideration receivables amounted to approximately RMB19,500,000 before the fair value adjustment arising in the Acquisition.

### 13. AMOUNTS DUE FROM/TO RELATED COMPANIES

#### Amounts due from related companies

	As at 28 February 2025 <i>RMB'000</i> (unaudited)	As at 31 August 2024 <i>RMB'000</i> (audited)
<b>Name</b>		
<b>Non-trade related</b>		
Shenzhen Hongyuan Education Investment Company Limited* (深圳弘遠教育投資有限公司)	42,813	47,457
Sichuan Yuanmao Education Management Company Limited* (四川沅懋教育管理有限公司)	6	6
Sichuan Gaojiao Group Limited (四川高教集團有限公司)*	10	10
Affected Entities	<u>63,420</u>	<u>15,852</u>
Total, presented under current assets	<u><u>106,249</u></u>	<u><u>63,325</u></u>

## Amounts due to related companies

	As at 28 February 2025 RMB'000 (unaudited)	As at 31 August 2024 RMB'000 (audited)
<b>Name</b>		
<b>Affected Entities:</b>		
— Nanjiang Bojun School* (南江博駿學校)	255,340	280,448
— Wangcang Bojun School* (旺蒼博駿公學)	221,155	228,581
— Lezhi Bojun School* (樂至博駿公學)	98,000	103,511
Sichuan Zhengzhuo Industrial Company Limited* (四川正卓實業有限公司) (“Zhengzhuo Industrial”)	1,328	86,328
Sichuan Zhuotai Investment Limited* (四川卓泰投資有限公司)	8,000	38,000
	<b>575,823</b>	736,868
Less: current liabilities	(9,328)	(124,328)
	<b>566,495</b>	612,540

The amounts due to Zhengzhuo Industrial are unsecured, non-interest bearing and without fixed repayment terms.

## 14. BANK BALANCES

As at 28 February 2025, other bank balances carry interest at prevailing market rates of 0.01%-0.55% (31 August 2024: 0.01%-0.55%).

## 15. OTHER PAYABLES AND ACCRUALS

		As at 28 February 2025 RMB'000 (unaudited)	As at 31 August 2024 RMB'000 (audited)
	<i>Notes</i>		
Payables for purchases of property, plant and equipment		112,403	270,388
Miscellaneous expenses received from students	(i)	11,254	10,867
Payroll payables		6,431	8,734
Payables for scholarship	(ii)	29,830	39,320
Other payables and accrued expenses		88,391	80,499
Other tax payables		6,954	5,175
Deferred cash consideration		—	1,000
Deposits received		32,921	30,709
Total		288,184	446,692
— Current liabilities		288,184	445,692
— Non-current liabilities		—	1,000

(i) The amount represents miscellaneous expenses received from students which will be paid out on behalf of students or refund for any excess.

(ii) The amount represents the subsidies received from different parties for distribution to students as scholarships to students.

## 16. CONTRACT LIABILITIES

	As at 28 February 2025 RMB'000 (unaudited)	As at 31 August 2024 RMB'000 (audited)
Tuition fees	175,210	270,295
Boarding fees	13,811	23,065
	<u>189,021</u>	<u>293,360</u>

## 17. BANK AND OTHER BORROWINGS

	As at 28 February 2025 <i>RMB'000</i> (unaudited)	As at 31 August 2024 <i>RMB'000</i> (audited)
Bank loans — secured ( <i>Note</i> )	1,435,730	946,620
Other borrowings — secured	549,947	550,159
	<u>1,985,677</u>	<u>1,496,779</u>
The carrying amounts of the above borrowings are repayable:		
On demand or within one year	740,990	328,704
Within a period of more than one year but not exceeding two years	390,196	430,387
Within a period more than two years but not exceeding five years	175,491	523,188
Within a period of more than five years	679,000	214,500
	<u>1,985,677</u>	<u>1,496,779</u>
Less: Amounts due within one year shown under current liabilities	(740,990)	(328,704)
Amounts shown under non-current liabilities	<u>1,244,687</u>	<u>1,168,075</u>

*Note:* As at 28 February 2025, a secured bank loan with a carrying amount of approximately RMB315,000,000 was classified as repayment on demand because of the failure to fulfil certain financial covenants stated in the loan agreement. Up to the date of the consolidated financial statements, the Group is seeking to procure new bank loans from other bankers to mitigate the risk of the loan being called by the bank. Coupled with the Group's working capital, the directors considered that the Group would have sufficient cash to fulfil the obligation in the event that the bank demanded immediate repayment for the loan.

## 18. DEFERRED INCOME

The carrying amount represents a government subsidy received for the compensation of capital expenditures incurred for prepaid lease payment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

## 19. DIVIDEND

No dividend has paid or declared by the Company for the six months ended 28 February 2025, nor has any dividend been proposed subsequent to 28 February 2025 (for the six months ended 29 February 2024: Nil).

## **BUSINESS REVIEW**

The Group is a leading private education service group in Chengdu City, Sichuan Province, the PRC, with a proven record of more than 23 years in the private education services sector. We operate our own kindergartens and high schools and has completed the acquisition of two vocational schools on 31 August 2023 to have control over and derive economic benefits from such entities and their subsidiaries, thereby allowing the Group to enter into the vocational education.

## **OUR OBJECTIVES IN EDUCATION**

Our schools adhere to the concepts of “Fusion of Chinese and Western, Combination of Arts and Science” (融貫中西，文理並蓄) and “Learn Intently in Pursuit of Knowledge and Caring for the World” (靜學問道，天下關懷). We strengthen the study of basic subjects according to the education rules and the law of growth of people. Meanwhile, we provide high-quality and comprehensive education services to our students through customised course design. We follow the trend of education and provide education services that adapts to the development of students. We believe our high quality education services facilitate the development of our students’ skills in communication, creativity and collaboration, and thereby help them acquire academic excellence and other achievements.

Our vocational schools adhere to the philosophy of “Governing the School According to the Law, Establishing the School with Morality; Establishing the School based on Market Demand, and Developing the School with Characteristics; Strengthening the School with Quality, and Promoting the School with Culture” (依法治校，以德譽校；市場立校，特色興校；品質強校，文化弘校), and establishes modern schools with modern educational ideas and concepts. We cultivate modern people who are fully adapted to the development and competition of modern society, follow the rules of education, and follow the laws of economics to achieve the perfect combination of social and economic benefits. With the goal of “creating innovative talent training model and highlighting the characteristics of higher vocational education” (創新人才培養模式，突出高職辦學特色), we actively reform the traditional school-management practice, and efficiently meet the market demand for talents.



## Our Schools

As of 28 February 2025, the Group operates one high school, two kindergartens and two vocational schools. Among these, due to a significant decline in birth rates and a substantial decrease in the number of school-age children, in July 2024, the Group decided to close Lidu Kindergarten and cease its operations. As at 31 March 2025, the kindergarten had completed all relevant procedures for termination of operations and company deregistration.

The following sets out the types of education provided by each of our schools as at 28 February 2025:

	Kindergarten(s)	High school(s)	Vocational school(s)
Winshare Vocational College			✓
Zhengzhuo Vocational School			✓
Tianfu High School		✓	
Riverside Kindergarten	✓		
Lidu Kindergarten	✓		

## OUR STUDENTS

As of 28 February 2025, we had an enrolment of 31,081 students, including 71 kindergarten students, 1,076 high school students and 29,934 vocational school students.

Number of students by school sections	Student enrolment as at 28 February 2025	Student enrolment as at 29 February 2024	Change	Change in percentage
Tianfu High School	<b>1,076</b>	967	109	11.3%
Kindergarten	<b>71</b>	193	(122)	(63.2%)
Winshare Vocational College	<b>25,349</b>	25,122	227	0.9%
Zhengzhuo Vocational School	<b>4,585</b>	6,411	(1,826)	(28.5%)

## **Tuition and boarding fees**

For high schools, our annual tuition fees for the 2024/2025 school year was RMB42,000 per student, while boarding fees of RMB1,200 per school year was charged for each boarding student. The fees charged remained unchanged when compared to the 2023/2024 school year. For kindergartens, our annual tuition fees for the 2024/2025 school year ranged from RMB44,160 to RMB46,560 per student. The fees charged remained unchanged when compared to the 2023/2024 school year.

For vocational schools, the tuition fees for the 2024/2025 school year charged by Winshare Vocational College ranged from RMB13,500 to RMB14,000, while boarding fees ranging from RMB1,400 to RMB3,300 per school year was charged. The tuition fees charged by Zhengzhuo Vocational School ranged from RMB4,150 to RMB4,250, while boarding fees ranged from RMB1,000 to RMB1,400 per school year was charged.

In general, our high school has an increase in tuition fees every three years to reflect increase in our operating costs. The tuition fees of the newly acquired vocational schools are also adjusted in accordance with market conditions, among which the tuition fees standard of the Vocational School has been implemented since 2019. On 15 May 2020, the Education Department of Sichuan Province\* (四川省教育廳) and two other departments jointly issued the “Notice on Improving the Price Management of Private High Schools in and Strengthening Postoperational Oversight in our Province” (《關於完善我省民辦高校價格管理方式加強事後監督的通知》), which stated that non-profit private high schools should, in principle, adjust their tuition fees for degree education at intervals of not less than three full school year. Our vocational schools will adjust the tuition fees in a timely manner in accordance with the requirements stated in the said notice, taking into account other relevant factors.

## **Teachers and Teacher Recruitment**

We believe that teachers are the key to maintaining our high standard of educational programmes and services as well as safeguarding the reputation of our schools. We consider that teachers should act as role models for our students and, therefore, they should be competent in teaching and dedicated to their teaching profession and the wellbeing of students. Hiring teachers who have extensive teaching experience and thrive in our schools is essential for the development of our students and the success of our schools. We offer competitive compensation and benefits to our teachers to ensure that they are dedicated to their work and are satisfied with their career development.

<b>School sections</b>	<b>Number of teachers as at 28 February 2025</b>	<b>Number of teachers as at 29 February 2024</b>	<b>Change</b>	<b>Change in percentage</b>
Tianfu High School	<b>81</b>	71	10	14.1%
Kindergarten	<b>16</b>	28	(12)	(42.9%)
Winshare Vocational College	<b>1,575</b>	1,559	16	1.0%
Zhengzhuo Vocational School	<b>274</b>	407	(133)	(32.7%)

## **OUR BUSINESS DEVELOPMENT STRATEGIES AND PLANS**

### **Increase Investments in the Operation of Vocational Education Schools**

As the PRC enters a new stage of development, the rate of industrial upgrade and economic restructuring are accelerating, and the demand for technically skilled personnel in various industries is becoming more and more urgent. We believe that vocational education, as a development project supported by the government, will be an important development opportunity for private education. On 21 December 2022, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Opinions on Deepening the Reform of the Construction of the Modern Vocational Education System\* (《關於深化現代職業教育體系建設改革的意見》). The Opinions provide comprehensive and specific guidelines for the future reform and development of vocational education from concept to institutional development, aiming to deepen the construction of the vocational education system, cultivate more high-quality technicians and skilled talents, and serve the comprehensive development of the nation's economy and society. On 14 July 2023, the General Office of the Ministry of Education issued the Notice on Key Tasks to Accelerate the Construction Reform of the Modern Vocational Education System\* (《關於加快推進現代職業教育體系建設改革重點任務的通知》). The Notice has accelerated the process of the reform of the modern vocational education system, and clarified the development direction in terms of integrating resources, in-depth integration and quality improvement, and guidance for the construction of a new mechanism for the development of high-quality vocational education through Central-regional interaction, regional linkage, and collaboration between government, administration, enterprises, and schools.

The Group has completed the acquisition of Winshare Vocational College and Zhengzhuo Vocational School on 31 August 2023, thereby operating two vocational schools of high quality and standard. Looking forward, we will strengthen our investment in our vocational school business by the following means:

- (i) establishing a curriculum of “New Engineering, New Medicine and New Liberal Arts” that is specific to our schools while embracing the core value of “cultivating talents with morality first” so as to develop a new “all-staff, whole-process and comprehensive” model of talent cultivation. We will comprehensively modify the standard of our curriculum according to the practical requirements of industrial development and fully integrate concepts including industry-education integration, digital empowerment, innovative entrepreneurship, craftsmanship, career education and labor education into our talent cultivation process;
- (ii) promoting adjustment of professional offerings according to industrial development dynamics as well as precise alignment and in-depth integration of professional offerings with key industries in the region, thereby creating a professional development direction with “accurate positioning and distinctive features”;
- (iii) enhancing the quality of skill-oriented and employment-oriented student cultivation. We will create focus courses in cooperation with leading enterprises to enhance the employability of students. We will also continue to fully promote “1 + X” certificate pilot majors and skills competitions to strengthen the adaptability of vocational education and effectively enhance the competitiveness of students in the job market;
- (iv) establishing connection with leading enterprises and strengthening the new talent cultivation model of industry-education integration. Our schools adhere to the regional strategy of Chengdu-Chongqing Economic Circle. We take the initiative to connect with industrial leaders, industrial chain, and innovation chain and build up a long-term mechanism for school-enterprise cooperation, so as to promote talent cultivation that precisely meets the needs of the industry and enterprises; and
- (v) strengthening our scientific research team and enhancing the quality of our research results to elevate the quality and effectiveness of our teaching and learning through scientific research.

The Group plans to expand the scale of operation of Winshare Vocational College and strive to establish a national model higher vocational college. A new campus under construction is expected to be completed by end of 2025, and will be able to accommodate 75,000 students. In the 15th Five-Year Plan for the development of national education, Winshare Vocational College was established as a vocational undergraduate college to realise the vertical integration of “secondary vocational school — higher vocational school — vocational undergraduate school”, and build a modern vocational education and training system. Efforts will be made to improve the level of school-running, promoting the college as the number one in the southwest region, and the most influential vocational education group in the country.

Zhengzhuo Vocational School will optimise its professional offerings and formulate professional talent cultivation programmes according to market demand. Zhengzhuo Vocational School is oriented towards employment and further studies, and students can continue to study in Winshare Vocational College or vocational undergraduate schools upon graduation to enhance their vocational skills. With the gradual completion of the construction of the Suining Campus and the continuous improvement of the operating conditions, Zhengzhuo Vocational School will also expand its enrolment scale year by year.

The Group also intends to acquire other vocational colleges of a certain scale when opportunities arise. As at the date of this announcement, there is no concrete acquisition target identified.

### **School-running with characteristics and high-standards and improves campus utilisation rate**

The Group set out to build its own characteristic education and advantageous subjects to attract students. At the same time, we provide internship opportunities through cooperation with enterprises and organisations and offer courses that meet market demand, to ensure that students would receive education closely linked with employment. Another major factor is improving the quality of education, including adopting modern teaching methods, improving the qualities of teachers, improving campus facilities, and providing comprehensive support and services to aid the life of students. External publicity is also crucial, such as increasing exposure through social media and organising events such as open days to build up the school brand. Finally, schools should maintain the competitiveness of their course content and teaching quality through continuous evaluation and improvement of educational services to meet the ever-changing educational and market needs. Through these measures, schools can not only increase their attractiveness and competitiveness, but also ensure the efficient use of resources to provide students with a valuable educational experience. We believe that through the Group’s unique and high-quality school-running measures, the number of students enrolled will steadily increase in the next few years.

## **Further engagement in the business of provision of education management**

The Group has been highly engaged in the education sector for many years, and has spared no effort in establishing the “Shi Yi (師一)” (formerly known as No. 1 High School Attached to Sichuan Normal University (師大一中)) education brand and “Youshi Kindergarten” nursery education brand. The Group used to operate four schools<sup>(i)</sup> under the “Shi Yi” education brand in Chengdu, with a total of nearly 10,000 students and more than 1,000 teaching staff. The brand is recognised as one of the “Top Five Brands (五朵私花)” of private schools in Chengdu.

Leveraging on its quality education resources and brand influence in nursery education and compulsory education, the Group will actively seek opportunities to cooperate with other public or private schools to offer its education management services and experience, so as to work closely with the partners to establish high quality schools.

*Note:*

- (i) The schools are Chengdu Jinjiang Shiyi School (成都市錦江區師一學校), Chengdu Longquanyi Shiyi Secondary School (成都市龍泉驛區師一中學校), Sichuan New Tianfu District Shiyi School (四川天府新區師一學校) and Tianfu High School respectively. The Group has lost control over the first three schools due to the Private Education Promotion Law. For details, please refer to the 2022 annual report of the Company.

## **Environment, Health and Safety**

The Group’s business has not violated applicable environmental laws and regulations of the PRC in any material aspect.

The Group is dedicated to protecting the health and safety of the students. The Group has onsite medical staff or health care personnel at each of the schools to deal with daily medical situations involving the students. For certain serious emergency medical situations, the Group will promptly send the students to local hospitals for medical treatment. Regarding security at the schools, the Group employed qualified property management companies to provide property security services at the Group’s school premises.

As far as the Board and the Group’s management are aware of, the Group is in compliance with the relevant laws and regulations that have a significant impact on the Group’s businesses and operations in all material aspects, and there was no material violation of or non-compliance with applicable laws and regulations by the Group during the six months ended 28 February 2025.

## **LATEST REGULATORY DEVELOPMENTS**

### **Regulations for the Implementation of the Private Education Promotion Law of the PRC\* (《中華人民共和國民辦教育促進法實施條例》) (the “Implementation Regulations”)**

On 14 May 2021, the State Council promulgated the Implementation Regulations, which became effective from 1 September 2021, which included: (i) no social organisation or individual shall control private schools that implement compulsory education or non-profit private schools that implement preschool education through merger and acquisition or control agreement; and (ii) private schools that implement compulsory education shall not enter into transactions with stakeholders. Other private schools shall follow the principles of openness, fairness, equity, reasonable pricing, and standardised decision making, and shall not harm the interests of the state, the interest of our schools and the rights of our teachers and students when conducting transactions with stakeholders. Private schools shall establish an information disclosure system for transactions with stakeholders. Education, human resources and social security as well as financial departments shall strengthen the supervision of agreements between non-profit private schools and stakeholders, and conduct annual reviews of related transactions.

The Group believes that there are still uncertainties in the interpretation and implementation of the Implementation Regulations. As at the date of this Announcement, no concrete policies have been announced and launched. After detailed discussion with the PRC legal advisers and auditors, the management of the Group and the Directors are of the view that the Group has lost its control over the Affected Entities since 31 August 2021. Therefore, the Group has decided to exclude the Affected Entities from the consolidated financial statements with effect from 31 August 2021 and the carrying value of the net assets of the Affected Entities for the year ended 31 August 2021 has been deconsolidated in the Group’s consolidated financial statements. The operations of the Affected Entities have been classified as discontinued operations for the year ended 31 August 2021.

The Group will closely follow up the development of the Implementation Regulations and continuously assess the possible impact on the Group after its implementation. Meanwhile, the Group will continue to monitor developments of the above and other related laws and regulations, and will make further announcements in respect thereof in accordance with the Listing Rules as and when appropriate.



### **Foreign Investment Law of the PRC\* (《中華人民共和國外商投資法》)**

On 15 March 2019, the National People’s Congress of the PRC has passed and promulgated the Foreign Investment Law of the PRC (the “**Foreign Investment Law**”), which was effective on 1 January 2020. The Foreign Investment Law defines “foreign investment” as investment activities directly or indirectly carried out by foreign investors in the PRC, and has listed the four situations that should be recognised as foreign investment. The Foreign Investment Law did not explicitly mention “actual control” and “contractual arrangement”. Nonetheless, it cannot be ruled out whether further laws and regulations will stipulate the subject in the future. Therefore, there are still uncertainties as to whether the structure under the contractual arrangement will be included in the scope of foreign investment supervision in the future, and if so, how it will be supervised. As at the date of the announcement, the Company’s operations have not been affected by the Foreign Investment Law. The Company will closely monitor developments in regards to the Foreign Investment Law and related laws and regulations.

### **Private Education Promotion Law of the PRC\* (《中華人民共和國民辦教育促進法》)**

The newly revised Private Education Promotion Law of the PRC that was implemented on 29 December 2018 states that the State encourages all sectors of society to establish private schools in accordance with the law, and has issued a series of documents to further regulate and support the development of private education. The main point of the regulations is that private schools can choose to register as non-profit or for-profit, and it stipulates the procedural framework that different types of schools should follow. In order to further implement the above regulations, the government and relevant competent authorities where the Group operates its schools have issued the Implementation Measures for Classification and Registration of Private Schools in Sichuan Province\* (《四川省民辦學校分類登記實施辦法》) on 2 May 2018, which became effective on 1 June 2018 and is valid for 5 years. The Implementation Measures are mainly to follow the Central Government’s decision, actively promote the reform of private education classification, and actively and steadily advance the classification and registration management work of private schools across the province, to support and encourage different social entities to establish education institutions, and promote and standardise the healthy development of private education. As of the date of this announcement, the Group’s kindergartens and high schools have completed the classification and registration, and the remaining schools under the Group have not yet started the classification and registration procedures. Due to certain uncertainties in the interpretation and application of the above regulations and the fact that the Implementation Measures are no longer effective, the remaining private schools under the Group will continue to pay attention to the abovementioned as well as changes in other relevant laws, regulations and policies, and will complete the classification and registration at the appropriate time.



## FINANCIAL REVIEW

	For the six months ended					
	28 February 2025		29 February 2024			
	Percentage of		Percentage of		Increase/	
	total revenue		total revenue		(Decrease)	
	RMB'000	%	RMB'000	%		%
Tuition fees and boarding fees	207,419	100.0%	221,713	97.5%	(14,294)	(6.4%)
Education consultancy and management services fees	—	—	5,767	2.5%	(5,767)	(100.0%)
	<u>207,419</u>	<u>100.0%</u>	<u>227,480</u>	<u>100.0%</u>	<u>(20,061)</u>	<u>(8.8%)</u>

Our revenue decreased by approximately RMB20.1 million (or 8.8%) from approximately RMB227.5 million for the six months ended 29 February 2024 to approximately RMB207.4 million for the six months ended 28 February 2025. The main reason for the decline was due to the change of student enrolment of Zhengzhuo Vocational School from 6,411 as at 29 February 2024 to 4,585 as at 28 February 2025.

## COSTS OF SERVICES

Our cost of services mainly consists of staff costs, depreciation, rental expenses and other costs. Cost of services accounted for approximately 53.0% and 48.4% of our total revenue for the six months ended 29 February 2024 and 28 February 2025, respectively. The following table sets forth a breakdown of the major components of our cost of services for the periods indicated:

	Notes	For the six months ended		Change	%
		28 February 2025	29 February 2024		
		RMB'000	RMB'000		
Staff costs	(i)	32,100	34,965	(2,865)	(8.2%)
Depreciation of property and equipment	(ii)	37,825	36,685	1,140	3.1%
Depreciation of right-of-use assets	(iii)	5,043	3,744	1,299	34.7%
Office expenses		1,720	1,827	(107)	(5.9%)
Repair and maintenance		4,650	5,412	(762)	(14.1%)
Others		18,949	38,126	(19,177)	(50.3%)
Total		<u>100,287</u>	<u>120,759</u>	<u>(20,472)</u>	<u>(17.0%)</u>

The cost of services decreased by approximately RMB20.5 million (or 17.0%) from approximately RMB120.8 million for the six months ended 29 February 2024 to approximately RMB100.3 million for the six months ended 28 February 2025. Student enrolment in the vocational education segment and the for-profit high school for the 2024/2025 academic year remained largely consistent with the 2023/2024 academic year. Since the completion of the acquisitions of Winshare Vocational College and the Vocational School on 31 August 2023, the Group has been integrating its vocational education segment with the basic education segment to achieve synergies, resulting in cost reductions.

*Notes:*

- (i) Staff costs decreased by approximately RMB2.9 million (or 8.2%) from approximately RMB35.0 million for the six months ended 29 February 2024 to approximately RMB32.1 million for the six months ended 28 February 2025. This was primarily due to workforce restructuring in the vocational education segment, which involved optimizing the allocation of certain general education teachers.
- (ii) Depreciation expenses of property and equipment increased by approximately RMB1.1 million from approximately RMB36.7 million for the six months ended 29 February 2024 to approximately RMB37.8 million for the six months ended 28 February 2025. This was primarily attributable to increased depreciation of teaching-related equipment.
- (iii) Depreciation expenses of right-of-use assets increased by approximately RMB1.3 million from approximately RMB3.7 million for the six months ended 29 February 2024 to approximately RMB5.0 million for the six months ended 28 February 2025. The increase was mainly due to a new piece of land acquired to build Suining Campus.

## GROSS PROFIT AND GROSS PROFIT MARGIN

	For the six months ended						Change in gross profit margin
	28 February 2025			29 February 2024			
	Segment revenue <i>RMB'000</i>	Gross profit <i>RMB'000</i>	Gross profit margin %	Segment revenue <i>RMB'000</i>	Gross profit <i>RMB'000</i>	Gross profit margin %	
Tuition fees and boarding fees	207,419	107,132	51.7%	221,713	106,156	47.9%	3.8%
Education consultancy and management services fees	—	—	—	5,767	565	9.8%	(9.8%)
	207,419	107,132	51.7%	41,749	7,932	46.9%	4.8%

Our gross profit margin for tuition fees and boarding fees increased by approximately 3.8% from approximately 47.9% for the six months ended 29 February 2024 to approximately 51.7% for the six months ended 28 February 2025. Following the Group's completion of acquisitions of Sichuan Zhengzhuo and Sichuan Gaojiao on 31 August 2023, after one and a half years of merger integration, the vocational education segment has achieved synergies with our existing basic education segment. The Group will continue to focus on steady growth in scale, cost optimization and gross margin improvement.

There were approximately RMB3.0 million canteen revenue and RMB2.8 million kindergarten management services revenue included in the six months ended 29 February 2024. The Group did not provide education consultancy and management services for the six months ended 28 February 2025 for the related kindergarten did not operate well lately due to a significant decline in birth rates and a substantial decrease in the number of school-age children.

### **OTHER INCOME**

Other income decreased by approximately RMB1.5 million (or 23.3%) from approximately RMB6.5 million for the six months ended 29 February 2024 to approximately RMB5.0 million for the six months ended 28 February 2025. The amount of release of asset-related government grants was approximately RMB3.1 million for the six months ended 28 February 2025.

### **OTHER GAINS, NET**

Other gains, net decreased by approximately RMB12.4 million (or 64.9%) from approximately RMB19.1 million for the six months ended 29 February 2024 to approximately RMB6.7 million for the six months ended 28 February 2025. The decline was mainly due to the one-off gain of waiver of amount due to Pengzhou Bojun School of approximately RMB19.2 million included in the consolidate statement of financial position of the Group for the six months end 29 February 2024.

### **ADMINISTRATIVE EXPENSES**

Administrative expenses mainly consist of administrative staff costs, office expenses, business expenses, motor vehicle expenses, greening and environmental costs, attorney fees, audit and assessment fees, handling charges and certain other administrative expenses. Other administrative expenses generally include staff travel expenses, management meetings expenses and welfare expenses.

Administrative expenses increased by approximately RMB2.7 million (or 5.0%) from approximately RMB53.3 million for the six months ended 29 February 2024 to approximately RMB56.0 million for the six months ended 28 February 2025. The management endeavour to improve administrative efficiency of the vocational schools and schools providing basic education to achieve synergistic effect.

## **FINANCE COSTS**

Finance costs mainly include interest expenses on bank borrowings and finance leases.

Finance costs increased by approximately RMB3.2 million (or 7.0%) from approximately RMB44.9 million for the six months ended 29 February 2024 to approximately RMB48.0 million for the six months ended 28 February 2025. The finance costs of approximately RMB48.0 million for the six months ended 28 February 2025 mainly included bank borrowings cost of approximately RMB26.2 million, other borrowings cost of approximately RMB19.0 million and unwinding of discount on amounts due to a related company of approximately RMB2.8 million. The financing balance of the Group's basic education segment was approximately RMB585.7 million, which is used for the daily operations of the basic education segment and the subsequent expansion of Tianfu High School. As at 28 February 2025, the financing balance of the Group's vocational education segment was approximately RMB1,399.9 million. Since vocational education is currently in a stage of rapid development, the Group actively uses financial leverage to ensure the development of the vocational education business.

## **TAXATION**

Income tax expense decreased by approximately RMB3.0 million (or 91.9%) from approximately RMB3.3 million for the six months ended 29 February 2024 to approximately RMB0.3 million for the six months ended 28 February 2025, of which the vocational education segment recorded net loss of approximately RMB6.8 million.

## **(LOSS)/PROFIT FOR THE PERIOD**

We recorded a loss of approximately RMB9.9 million for the six months ended 28 February 2025, as compared to a profit of approximately RMB3.9 million for the six months ended 29 February 2024. The Board considers such loss was primarily attributable to the finance costs of approximately RMB48.0 million for the six months ended 28 February 2025. The finance costs arising from borrowings were primarily related to borrowings made for the construction of school campus of Sichuan Winshare Vocational College (四川文軒職業學院). Moreover, the vocational education segment recorded income of RMB183.1 million and a loss of approximately RMB6.4 million for the six months ended 28 February 2025. The basic education segment recorded income of approximately RMB24.3 million and a loss of approximately RMB3.5 million, mainly due to the decrease of revenue from kindergartens arising from significant decline in birth rates and a substantial decrease in the number of school-age children.

## **CONTRACT LIABILITIES**

We have initially recorded the tuition fees and boarding fees received as a liability under contract liabilities and recognised such amounts as revenue on a pro rata basis over the relevant period of the applicable courses. Contract liabilities decreased by approximately RMB104.3 million (or 35.6%) from approximately RMB293.4 million on 31 August 2024 to approximately RMB189.0 million on 28 February 2025. Such decrease was mainly due to the completion of the provision of educational services corresponding to the collection of fees by the schools.

## **LIQUIDITY AND CAPITAL RESOURCES**

For the six months ended 28 February 2025, we mainly financed our operations through a combination of cash flows from our internal operations, proceeds from the Listing, bank borrowings and finance leases. As at 28 February 2025, the short-term bank borrowings were approximately RMB460.4 million (31 August 2024: RMB100.7 million), short-term finance leases amounted to approximately RMB280.6 million (31 August 2024: RMB228.0 million). Meanwhile, there were secured long-term borrowings of approximately RMB975.3 million (31 August 2024: RMB845.9 million), secured long-term financing leases of approximately RMB269.4 million (31 August 2024: RMB322.2 million). The interest rates of the Group's fixed-rate bank and other borrowings ranged from 5.00% to 8.35%, and the interest rates of floating-rate bank and other borrowings ranged from 5.00% to 10.10%, and were mainly used to finance the working capital requirements of its operations and the construction of the schools. The borrowings of the Group are denominated in RMB. The Group's cash and cash equivalents are mainly denominated in RMB. Cash and cash equivalents amounted to approximately RMB124.0 million as at 28 February 2025 (31 August 2024: RMB225.8 million). Our cash have been principally used for funding working capital, purchase of property and equipment and other recurring expenses to support the expansion of our operations. Going forward, we believe our liquidity requirements will be satisfied by combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time. We regularly monitor our liquidity requirements to ensure that we maintain sufficient cash resources for working capital and capital expenditure needs. During the six months ended 28 February 2025, we did not experience any difficulties in settling our obligations in the normal course of business which would have had a material impact on our business, financial condition or results of operations.

The following table sets forth a summary of our cash flows for the periods indicated:

	<b>For the six months ended</b>	
	<b>28 February 2025</b>	<b>29 February 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Net cash used in operating activities	(189,995)	(73,177)
Net cash used in investing activities	(317,538)	(137,641)
Net cash used in financing activities	405,483	35,649
Net increase (decrease) in cash and cash equivalents	(102,050)	(175,169)
Cash and cash equivalents at the beginning of the period	225,803	346,553
Effect of foreign exchange rate changes	251	251
Cash and cash equivalents at the end of the period	124,004	171,635

## CAPITAL EXPENDITURE

Our capital expenditures were primarily related to (i) development and construction of new schools; (ii) purchase of leasehold land and buildings for our schools; and (iii) payment for the shares of Yibin City Commercial Bank Co., Ltd.\* (宜賓市商業銀行股份有限公司) (“**Yibin Bank**”) (for details, please refer to the announcements of the Company dated 7 January 2025 and 13 January 2025). The following table sets forth the change in cash from investing activities for the period indicated:

	<b>For the six months ended</b>	
	<b>28 February 2025</b>	<b>29 February 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Payment for property, plant and equipment	(105,019)	(34,380)
Payment of payables for purchase of Property, plant and equipment	(157,985)	–
Payment for cash consideration of acquisition	(1,000)	(86,550)
Payment for land use right	–	(169,692)
Refund of government subsidy	–	152,981
Payment for share of Yibin Bank	(53,534)	–
	(317,538)	(137,641)

We plan to satisfy such capital expenditures with a combination of our existing cash, cash generated from our operations, proceeds from the Listing and/or bank borrowing, and other funds raised from the capital markets from time to time.

## **GEARING RATIO**

Gearing ratio is calculated by dividing total debts (which equal interest-bearing bank borrowings and obligation under finance leases) by total equity as at the respective period end date.

Our gearing ratio increased from approximately 290.6% as at 31 August 2024 to approximately 393.0% as at 28 February 2025. We believe that we will combine internally generated cash, external borrowings and other funds raised from the capital market from time to time to meet our liquidity needs and continue to optimise the capital structure of the Company.

## **INTEREST RATE RISK**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the bank balances and incurred by bank borrowings. The Group currently does not use any financial instrument to hedge interest rate risk exposure. However, the management of the Group monitors interest rate risk and will consider hedging significant interest rate exposure should the need arise.

## **FOREIGN EXCHANGE EXPOSURE**

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that minimal expenditures are denominated in Hong Kong dollars. As at 28 February 2025, certain bank balances and cash were denominated in Hong Kong dollars. Any material volatility in the exchange rates of these currencies against RMB may affect the financial condition of the Group. The Group has not used any financial instrument to hedge the foreign exchange risk that it is exposed to currently. However, the management of the Group monitors our foreign exchange exposure and will consider hedging significant foreign exchange risk should the need arise.

## **CHARGES ON GROUP ASSETS**

Except for the furniture, fixtures and equipment pledged for the other borrowing under sale and leaseback arrangement, there were no other material charges on the Group's assets as at 28 February 2025.

## **CONTINGENT LIABILITIES**

As at 28 February 2025, the Group did not have any material contingent liabilities (31 August 2024: nil).



## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

For the six months ended 28 February 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As of 28 February 2025, the Group has no future plans for material investments and capital assets.

## **USE OF PROCEEDS FROM LISTING**

Net proceeds from the Listing (including the partial exercise of over-allotment option) of approximately HK\$494.0 million (equivalent to approximately RMB428.9 million), after deducting the underwriting fees, commissions and expenses payable by us in connection with the Listing, have/will be applied in the manner as set out in the section headed “Future plans and use of proceeds” of the prospectus of the Company dated 19 July 2018. On 24 November 2023, the Board resolved to reallocate the use of the unutilised net proceeds in the sum of approximately RMB12.9 million, which was originally intended for establishment of the US School, to the settlement of partial consideration in cash in relation to the acquisition on or before 31 December 2024. As of the date of this announcement, all the proceeds from the Listing have been utilised in full as planned.

## **SIGNIFICANT INVESTMENTS**

As of 28 February 2025, the Group did not hold any significant investments.

## **SIGNIFICANT LEGAL PROCEEDINGS**

For the six months ended 28 February 2025, the Group had not been involved in any significant legal proceedings or arbitration. To the best of the knowledge and belief of the Directors, there are no significant legal proceedings or claims pending or threatened against the Group.



## **EMPLOYEE BENEFITS**

As at 28 February 2025, the Group had 2,116 employees (as at 31 August 2024: 2,240). The Group participates in various employee benefit plans, including provident fund, housing, pension, medical insurance and unemployment insurance. The Company has also offered a share option scheme for its employees and other eligible persons. Salaries and other benefits of the Groups' employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, result performance of the Group and other relevant market conditions. The Group also provides internal and external training programmes to its employees. For the six months ended 28 February 2025, our staff costs (including directors' fees) amounted to approximately RMB53.2 million (for the six months ended 29 February 2024: RMB56.2 million).

## **SHARE OPTION SCHEME**

On 12 July 2018, a share option scheme (the “**Scheme**”) was conditionally approved and adopted pursuant to a written resolution passed by the shareholders of the Company (the “**Shareholder(s)**”). The Scheme will remain in force for a period of 10 years from the date of its adoption. On 13 May 2021, the Company granted 1,000,000 share options at an exercise price of HK\$0.598 per share exercisable during the period from 13 May 2021 to 12 May 2031 (both dates inclusive). On 17 August 2023, the Company granted 5,000,000 share options at an exercise price of HK\$0.130 per share, which were vested on 18 August 2024 and exercisable for a period from 18 August 2023 to 16 August 2033 (both dates inclusive). As at 28 February 2025, 6,000,000 share options remained outstanding under the Scheme.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividends for the six months ended 28 February 2025.

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

During the six months ended 28 February 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including treasury shares) of the Company.

## **EVENTS AFTER THE PERIOD**

There was no event after 28 February 2025 which has material impact to the Group.

## COMPETITION AND CONFLICT OF INTERESTS

As at the date of this announcement, none of the Directors has, either directly or indirectly, any interest in any business which causes or may cause any significant competition with the business of the Group or has any other conflict of interests with the Group.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix C3 to the Listing Rules as the code of conduct for dealings in the Company’s securities by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the Model Code for the six months ended 28 February 2025.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board commits to achieving high corporate governance standards in order to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has applied the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules. For the six months ended 28 February 2025, the Company has complied with all the applicable code provisions. The Board will continue to review and monitor the corporate governance practises of the Company for the purpose of maintaining high corporate governance standards.

## AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee comprises three members, namely, Mr. Cheng Tai Kwan Sunny, Mr. Tao Qizhi and Mr. Yang Yuchuan, all being independent non-executive Directors. Mr. Cheng Tai Kwan Sunny is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 28 February 2025. The Audit Committee has also held a meeting to discuss matters with respect to the accounting policies and practises adopted by the Company. The Audit Committee did not have any different opinion on the accounting policies adopted by the Company. The Audit Committee has also discussed the internal control matters with senior management of the Company.

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

This interim results announcement is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at <http://bojuneducation.com>. The interim report of the Group for the six months ended 28 February 2025 will be published on the aforesaid websites of the Stock Exchange and the Company, and will be dispatched to Shareholders in due course.

## **ACKNOWLEDGEMENT**

The Company would like to express its sincere appreciation for the unremitting effort and dedication made by the Board, the management and all of its staff members, as well as the continuous support to the Group from the Shareholders, the government, business partners, professional advisers and loyal customers.

By Order of the Board  
**BOJUN EDUCATION COMPANY LIMITED**  
**Wang Jinglei**  
*Chairman of the Board*

Hong Kong, 24 April 2025

*As at the date of this announcement, the executive Directors are Mr. Wang Jinglei, Mr. Lin Juncheng and Ms. Tang Hui; the non-executive Director is Mr. Wu Jiwei; and the independent non-executive Directors are Mr. Yang Yuchuan, Mr. Tao Qizhi and Mr. Cheng Tai Kwan Sunny.*

*\* for identification purposes only*