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China Kepei Education Group Limited

中國科培教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1890)

**ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS
ENDED 28 FEBRUARY 2025**

The board of directors (the “**Board**”) of China Kepei Education Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 28 February 2025. This announcement, containing the full text of the interim report of the Company for the six months ended 28 February 2025 (the “**2025 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of unaudited interim results. The 2025 Interim Report will be available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and of the Company at <http://www.chinakepeiedu.com> in due course.

By order of the Board

China Kepei Education Group Limited

YE Nianqiao

Chairman

Hong Kong, 29 April 2025

As at the date of this announcement, the Board comprises Mr. YE Nianqiao, Dr. ZHANG Xiangwei, Mr. ZHA Donghui, Ms. LI Yan, Ms. SUN Lixia and Mr. YE Xun as executive directors, and Dr. XU Ming, Dr. DENG Feiqi and Mr. LU Chao as independent non-executive directors.



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Company Profile

The Company, together with its Subsidiaries, is a leading provider of private vocational education services in China focusing on profession-oriented and vocational education.

We are committed to providing students with high-quality profession-oriented and vocational education and helping them to meet the growing and changing market demands. We are primarily focused on engineering majors to better capture local employment demands, balanced with economics, management, education and art majors to offer well- rounded education services. We endeavor to provide students with various profession-oriented and application- oriented training and internship opportunities in collaboration with research institutions and enterprises, through which we foster practical skills and market competitiveness of our students.

Through over 25 years of operating private higher education in China, we believe that we have established a strong reputation, which helps us attract high-quality students and teachers and pave the way for our success. We intend to maintain and strengthen our market position in the private vocational education industry in China.





Corporate Information



BOARD OF DIRECTORS

Executive Directors

Mr. Ye Nianqiao (*Chairman*)
Dr. Zhang Xiangwei
Mr. Zha Donghui
Ms. Li Yan (*Chief Executive Officer*)
Mr. Ye Xun
Ms. Sun Lixia

Independent Non-executive Directors

Dr. Xu Ming
Dr. Deng Feiqi
Mr. Lu Chao

AUDIT COMMITTEE

Dr. Xu Ming (*Chairman*)
Dr. Deng Feiqi
Mr. Lu Chao

REMUNERATION COMMITTEE

Dr. Deng Feiqi (*Chairman*)
Mr. Zha Donghui
Mr. Lu Chao

NOMINATION COMMITTEE

Mr. Ye Nianqiao (*Chairman*)
Dr. Deng Feiqi
Mr. Lu Chao

JOINT COMPANY SECRETARIES

Mr. Zheng Chaoran
Ms. Ng Ka Man

AUTHORIZED REPRESENTATIVES

Mr. Ye Nianqiao
Ms. Ng Ka Man

REGISTERED OFFICE

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P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Gaoyao District
Zhaoqing City
Guangdong Province
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Causeway Bay
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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



Corporate Information

HONG KONG SHARE REGISTRAR

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LEGAL ADVISORS

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As to PRC law:

Commerce & Finance Law Offices
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As to Cayman Islands law:

Maples and Calder (Hong Kong) LLP
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AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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Quarry Bay
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

INVESTOR RELATIONS

Mr. Zheng Chaoran
Investor Relations Director
Email: ir@kepeieducation.com

STOCK CODE

1890

COMPANY'S WEBSITE

www.chinakepeiedu.com

Interim Results

| | For the six months ended | | | |
|-----------------------|--------------------------|-------------|---------|------------|
| | 28 February | 29 February | Change | Percentage |
| | 2025 | 2024 | | |
| | RMB'000 | RMB'000 | | |
| | (Unaudited) | (Unaudited) | RMB'000 | Change (%) |
| Revenue | 918,236 | 871,970 | +46,266 | +5.3% |
| Cost of Sales | 439,676 | 342,117 | +97,559 | +28.5% |
| Gross profit | 478,560 | 529,853 | -51,293 | -9.7% |
| Profit before tax | 454,974 | 480,787 | -25,813 | -5.4% |
| Profit for the period | 426,559 | 452,488 | -25,929 | -5.7% |
| Core net profit** | 434,081 | 459,765 | -25,684 | -5.6% |
| Adjusted EBITDA* | 581,251 | 616,431 | -35,180 | -5.7% |

* Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group's operating performance. Please refer to the section headed "Financial Review" in this report for details of the reconciliation of the profit for the period to the adjusted EBITDA of the Group.

** Core net profit was derived from the profit for the period after adjusting for the items which are not indicative of the Group's operational performance. Please refer to the section headed "Financial Review" in this report for details of the reconciliation of the profit for the period to the core net profit of the Group.

DISTRIBUTION OF INTERIM DIVIDEND

The Board resolved the payment of an interim dividend of HKD0.07 per Share for the six months ended 28 February 2025, representing approximately 30% of the profit attributable to owners of the Company. The dividend will be paid to all Shareholders in cash.



Management Discussion and Analysis

BUSINESS OVERVIEW

The Group is the leading vocational education group in the Pearl River Delta and Yangtze River Delta, the two most important economic regions in China. Our education businesses services cover the entire modern vocational education chain, including the secondary-level vocational program, higher-level vocational program, and undergraduate-level vocational program. Since the establishment of our first school in 2000, the Group has been adhering to the mission of cultivating high-quality technological talents, and steadfastly pursuing the path of high-quality development. During the Reporting Period, we have achieved the following fruitful educational results:

Our Teacher Qualification Training Achieved Remarkable Results with Improving Ranks among Schools

During the Reporting Period, our schools received approximately 147 national awards and 164 provincial awards. Adhering to the scientific research goal of “Promoting Teaching through Research and Promoting Learning through Teaching”, our schools actively carried out scientific research and ignited the enthusiasm of teachers to engage in scientific research. The Group’s schools undertook 120 provincial-level scientific research projects, and our teachers published 716 academic papers, including about 36 core journal papers. The teachers’ honors and number of scientific research awards increased significantly as compared to last year. Under the guidance of the high-quality development strategy, our schools continued to improve their ranks. The Guangdong Schools ranked 35th in the Top 300 Private Universities Rankings (2025) according to the GDI University Rankings; it also ranked third in the Guangdong Province. The Heilongjiang School ranked 28th among the list of private universities in China by Chinese Alumni Association in 2024, jumped from 38th for the last year; it also ranked second among private colleges in Heilongjiang.

Actively Promoted the Core Strategy of “AI + Vocational Education”

Against the backdrop of rapid development of artificial intelligence (AI), the Group takes “AI + Vocational Education” as its core strategy, and comprehensively promotes the deep integration of AI technology and teaching. The Group has established a working team to promote the AI applications and deeply cultivate “Vertical AI Applications”, and through the cross-department collaboration, to systematically promote the intelligent transformation in the teaching, research, and management fields, and to integrate AI technology into all elements and processes of education and teaching. Through its independent research and development, the Group has achieved model integration and deployment of intelligent course platforms, enterprise WeChat, student and staff systems, and enrollment Q&A robots on campus. In 2025, we will focus on building AI tool modules that are in line with the characteristics of our schools, and constructing AI smart libraries, digital mentor systems and other projects. We will also establish a full lifecycle management mechanism for teaching data and build a new intelligent education ecosystem of “Educational Brain + Intelligent Terminal”.



Management Discussion and Analysis

The First Private Vocational Undergraduate Management Project has been Implemented

In April 2025, the Group entered into a Cooperation Management Agreement with Hunan School and its school sponsors in relation to the overall management of the Hunan School including, but not limited to, the management of its assets, business, operations, finance, liabilities and human resources. The Group has accumulated extensive operation and management experiences in higher education industry. The implementation of this management project marks the recognition of the Group's ability to provide teaching and management services to other teaching institutions. The expansion strategy of light asset operation will become a key strategy of the Group's future new business. For more details, please refer to the announcements of the Company dated 1 April and 17 April 2025.

Zhaoqing School has been Approved as One Pilot School of the First Comprehensive High Schools in Zhaoqing City

Comprehensive high school is an innovative new education model in the high school stage, advocating the integration and development of cultural courses and vocational skills learning in ordinary high schools. The Zhaoqing School becomes one pilot school of the first comprehensive high schools in Zhaoqing City in 2025, and will carry out its first enrollment in the 2025/26 school year. This remarks that the Group has gained widespread social recognition in the field of vocational education and ordinary education integration (Cultural Foundation + Vocational Skills), and the Group will continue to improve its comprehensive strength, and its future enrollment source will continue to expand.



Management Discussion and Analysis

Revenue

The Group typically charges students fees comprising tuition fees, boarding fees and other education service fees. Tuition fees remained as the major revenue, accounting for approximately 94.7% of the total revenue of the Group for the six months ended 28 February 2025. The following table set forth the details of the Group's revenue for both financial periods:

| | Six months ended | | Change RMB'000 | Percentage Change (%) |
|--------------------------------|---|---|-------------------|-----------------------------|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) | | |
| Tuition fees | | | | |
| Higher education program | 829,184 | 772,362 | +56,822 | +7.4 |
| Secondary vocational education | 40,149 | 45,533 | -5,384 | -11.8 |
| Total tuition fees | 869,333 | 817,895 | +51,438 | +6.3 |
| Boarding fees | 44,405 | 49,453 | -5,048 | -10.2 |
| Other education service fees | 4,498 | 4,622 | -124 | -2.7 |
| Total | 918,236 | 871,970 | +46,266 | +5.3 |

The Group's revenue increased by RMB46.2 million, or 5.3%, from RMB872.0 million for the six months ended 29 February 2024 to RMB918.2 million for the six months ended 28 February 2025. The increased revenue was mainly attributed to the steady growth in the number of undergraduate student enrollments and average tuition fees.

Student Enrollment

In the 2024/25 school year, the Group had approximately 77,000 full-time students, including approximately 69,000 undergraduate students (up by 5.4% year-on-year). The structure of students has further been optimized, with the proportion of undergraduate students among the total number of full-time students reached nearly 90.0%. The admission cut-off scores and enrolment rate continue to increase, the brand competitiveness has been further enhanced, and the high-quality development strategy is steadily advancing.



Management Discussion and Analysis



Future Plans

1. With the upgrade of the State's industries, the demand for vocational education talents in advanced manufacturing and modern service industries is becoming increasingly strong. We will steadfastly implement high-quality development strategies to cultivate high-level applied and professional talents for the country and serve local economic development. The Group has abundant school-enterprise cooperation resources in the Pearl River Delta and Yangtze River Delta regions, and will actively promote school-enterprise cooperation with leading entities in various industries, focusing on national key industries and emerging industries, such as new energy vehicles, digital economy, information technology, artificial intelligence and other industries, and continuously deepening the integration of industry and education and building industry colleges together, to realize close connection between professional settings and industry needs and improve high-quality employment for students.
2. We will actively explore our international education services, including operating higher education institutions overseas in a light asset model, which will cover undergraduate, master and doctoral degree education in the future. In addition, leveraging our years of extensive operation experiences in higher education institutions, we will actively promote light asset custody services for domestic private high schools, provide high-quality education and teaching services to the outside world, and create sustainable returns for our shareholders.



Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group mainly derives revenue from tuition fees and boarding fees of its schools collected from students.

The Group's revenue increased by RMB46.2 million, or 5.3%, from RMB872.0 million for the six months ended 29 February 2024 to RMB918.2 million for the six months ended 28 February 2025. This increase was primarily the result of revenue from tuition fees increased by RMB51.4 million, or 6.3%, from RMB817.9 million for the six months ended 29 February 2024 to RMB869.3 million for the six months ended 28 February 2025.

The tuition fees increased were mainly attributed to the steady growth in the number of undergraduate student enrollments and average tuition fees of the schools operated by the Group.

Cost of Sales

Cost of sales consists primarily of staff costs, depreciation and amortisation, utilities, teaching supplies, cost of cooperative education, student study and practice fees, office expenses, training expenses, student subsidies, travel and transportation expenses, cost of repairs, property management fees and others.

Cost of sales increased by RMB97.6 million, or 28.5%, from RMB342.1 million for the six months ended 29 February 2024 to RMB439.7 million for the six months ended 28 February 2025. This increase was primarily the result of: (i) the Group's great input to develop a high quality teaching crew in cultivating high-end talents as well as improvement of benefits for faculties; (ii) the continuously investment in various professional teaching training venues and equipment in order to improve teaching quality and students' learning experiences; and (iii) the increase in practice fees and training expense in relation to improve student employment.

Gross Profit and Gross Profit Margin

Gross profit decreased by RMB51.3 million, or 9.7%, from RMB529.9 million for the six months ended 29 February 2024 to RMB478.6 million for the six months ended 28 February 2025. The gross profit margin for the six months ended 28 February 2025 was 52.1%, representing a slightly decrease of 8.7% as compared to the gross profit margin of 60.8% for the same period of last year. The decrease was mainly due to the Group's continuously investment in teaching expenses and students expenses to achieve high teaching qualities and student employment.



Other Income and Gains

Other income and gains primarily consist of government grants, interest income from bank deposits, rental income from lease of campus properties and venues to independent third parties, management service income and consulting service income.

Other income and gains increased by RMB32.4 million, or 37.3%, from RMB87.2 million for the six months ended 29 February 2024 to RMB119.6 million for the six months ended 28 February 2025. This increase was primarily due to the increase of RMB23.7 million in the management service income compared to the same period of last year.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising expenses, student admission expenses and business entertainment expenses. Selling and distribution expenses decreased by RMB1.9 million, or 43.8%, from RMB4.4 million for the six months ended 29 February 2024 to RMB2.5 million for the six months ended 28 February 2025, which was mainly because of the improvement of the Group's brand building and decrease in students' enrollment promotion.

Administrative Expenses

Administrative expenses primarily consist of the administrative staff salaries, office-related expenses, depreciation and amortisation of office buildings, equipment and right of use assets, audit fee, travel expenses and others. Administrative expenses increased by RMB5.7 million, or 6.5%, from RMB88.8 million for the six months ended 29 February 2024 to RMB94.5 million for the six months ended 28 February 2025. This increase was primarily due to the increase numbers of management professionals to achieve the Group's high-quality development.

Other Expenses

Other expenses primarily consist of expenses relating to staff costs, loss on disposal of items of property, plant and equipment, exchange loss, donation cost and other costs.

Other expenses increased by RMB14.4 million, or 97.3%, from RMB14.8 million for the six months ended 29 February 2024 to RMB29.2 million for the six months ended 28 February 2025. This increase was primarily due to the increase of staff cost.



Management Discussion and Analysis

Finance Costs

Finance costs primarily consist of the interest expenses for the interest-bearing bank and other borrowings and lease liabilities. Finance costs decreased by RMB11.2 million, or 39.7%, from RMB28.2 million for the six months ended 29 February 2024 to RMB17.0 million for the six months ended 28 February 2025, which was mainly due to the decreased weighted average interest-bearing bank and other borrowings during the Reporting Period.

Calculation of Core Net Profit

Core net profit was derived from the profit for the period after adjusting, additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets and foreign exchange gain or loss, which are not indicatives of the Group's operational performance. The following table reconciles from profit for the period to core net profit for both financial periods:

| Items | Six months ended | |
|---|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Profit for the period | 426,559 | 452,488 |
| Add: | | |
| Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets | 1,717 | 6,360 |
| Exchange loss | 5,805 | 916 |
| Core net profit | 434,081 | 459,765 |

Core net profit decreased by RMB25.7 million, or 5.6%, from RMB459.8 million for the six months ended 29 February 2024 to RMB434.1 million for the six months ended 28 February 2025.

Management Discussion and Analysis

Non-HKFRS Measurement

To supplement the Group's unaudited interim condensed consolidated financial statements which are presented in accordance with HKFRS, the Company also uses adjusted EBITDA and core net profit as additional financial measures, which are not required by, or presented in accordance with HKFRS. The Group presents these items because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors.

Calculation of adjusted EBITDA

Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group's operating performance. The exchange gain or loss and fair value loss on financial assets at fair value through profit or loss are the non-HKFRS measure adjusting items as the Company consider that those items were not reflective of the Group's core operating results and should be reconciled in the adjusted EBITDA. The following table reconciles from profit for the period to adjusted EBITDA for both financial periods:

| Items | Six months ended | |
|--|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Profit for the period | 426,559 | 452,488 |
| Add: | | |
| Depreciation and amortisation of property, plant and equipment, right-of-use assets and other intangible assets | 103,456 | 106,486 |
| Income tax expense | 28,415 | 28,299 |
| Finance costs | 17,016 | 28,242 |
| Exchange loss | 5,805 | 916 |
| Adjusted EBITDA | 581,251 | 616,431 |

Adjusted EBITDA decreased by RMB35.1 million, or 5.7%, from RMB616.4 million for the six months ended 29 February 2024 to RMB581.3 million for the six months ended 28 February 2025.



Management Discussion and Analysis

Capital Expenditures

Capital expenditures during the six months ended 28 February 2025 primarily related to the maintaining and upgrading existing school premises and purchasing additional educational facilities and equipment. For the six months ended 28 February 2025, the Group's capital expenditures were RMB224.7 million.

Liquidity and Financial Resources

The Group's primary uses cash to fund its working capital requirements, purchase of property, plant and equipment and loan repayment and related interest expenses. As at the date of this report, the Group has funded its operations principally with the cash generated from its operations and bank and other borrowings. In the future, the Group believes that its liquidity requirements will be satisfied with a combination of cash flows generated from its operating activities, bank loans, other borrowings and other funds raised from the capital markets from time to time. As of 28 February 2025, the Group had cash and cash equivalents of RMB1,263.8 million.

The balance of interest-bearing bank and other borrowings as at 28 February 2025 was RMB962.6 million. The interest-bearing bank and other borrowings of RMB481.4 million are repayable within a year. The Group had adequate liquidity to meet its daily management and capital expenditure requirements and control internal operating cash flows.

Capital Structure

The Group's financial department is responsible for its financial risk management which operates according to policies implemented and approved by the senior management. As at 28 February 2025, all the interest-bearing bank and other borrowings were denominated in RMB, while cash and cash equivalents were primarily held in RMB, HKD and USD. The Group plans to maintain an appropriate mix of financial equity and debt to ensure an efficient capital structure. The outstanding balances of interest-bearing bank and other borrowings as at 28 February 2025 were at fixed interest rates for loans denominated in RMB.

Significant Investments, Acquisitions and Disposals

Save as disclosed in this report, there were no significant investments held by the Company as at 28 February 2025, nor other material acquisitions and disposals of subsidiaries, associated companies or joint ventures by the Company.

Future Plan for Material Investments and Capital Assets

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as at 28 February 2025.



Gearing Ratio

The gearing ratio of the Group, which was calculated as total interest-bearing bank and other borrowings divided by total equity as at the end of the relevant financial period, was 17.7% as at 28 February 2025 (as at 31 August 2024: 17.7%).

Foreign Exchange Risk Management

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. As at 28 February 2025, certain bank balances were denominated in HKD and USD. During the six months ended 28 February 2025, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. The Group did not enter into any financial instrument for hedging purpose.

Contingent Liabilities

As at 28 February 2025, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (as at 31 August 2024: Nil).

Pledge of Assets

As at 28 February 2025, the Group's time deposits amounting to RMB30.8 million (as at 31 August 2024: RMB110.0 million) were pledged to secure certain of the Group's bank loans.

Employees and Remuneration Policy

As at 28 February 2025, the Group had 4,846 employees (as at 29 February 2024: 4,555 employees).

The remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and results performance of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, occupational injury insurance, maternity insurance and unemployment insurance.

The total remuneration cost incurred by the Group for the six months ended 28 February 2025 was RMB251.7 million (for the six months ended 29 February 2024: RMB223.7 million).

Events After the Reporting Period

The Group had no significant event after the Reporting Period required to be disclosed.



Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with all applicable code provisions under the CG Code during the six months ended 28 February 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard as set out in the Model Code during the six months ended 28 February 2025.

INTERIM DIVIDEND

The Board has resolved the payment of an interim dividend of HKD0.07 per share for the six months ended 28 February 2025 (for the six months ended 29 February 2024: HKD0.07). The interim dividend will be paid on or about 20 March 2026 to the Shareholders whose names appear on the register of members of the Company on 13 March 2026.

CLOSURE OF THE REGISTER OF MEMBERS

In order to ascertain Shareholder's entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 10 March 2026 to Friday, 13 March 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be qualified for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 9 March 2026.



AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors namely Dr. Xu Ming (chairman), Dr. Deng Feiqi and Mr. Lu Chao. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting system, internal control system and risk management system.

The Audit Committee, together with the Board, has reviewed the unaudited interim condensed consolidated results of the Group for the six months ended 28 February 2025 and was of the opinion that the interim results and interim report had been prepared in accordance with the relevant accounting standards and that adequate disclosures had been made in accordance with the requirements of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 28 February 2025.

As at 28 February 2025, the Company and its subsidiaries did not hold any treasury shares.

CHANGES TO DIRECTORS' INFORMATION

The Directors confirm that, since the publication of the latest annual report, there is no change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance and Other Information

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

As at 28 February 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been 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 were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept 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:

| Name of Director or chief executive | Capacity/Nature of Interest | Number of Shares ⁽²⁾ | Approximate Percentage of Shareholding in the Company ⁽¹⁾ |
|-------------------------------------|---|---------------------------------|--|
| Ye Nianqiao | Founder of a discretionary trust ⁽³⁾ | 677,280,000 (L) | 33.62% |
| | Interest of spouse ⁽⁴⁾ | 375,000,000 (L) | 18.62% |
| Ye Xun | Founder of a discretionary trust ⁽⁵⁾ | 300,000,000 (L) | 14.89% |
| | Beneficial owner | 700,000 (L) | 0.03% |
| Ye Nianjiu | Founder of a discretionary trust ⁽⁶⁾ | 150,000,000 (L) | 7.45% |
| | Beneficial owner | 800,000 (L) | 0.04% |
| Zhang Xiangwei | Beneficial owner | 2,000,000 (L) | 0.10% |
| Zha Donghui | Beneficial owner | 1,200,000 (L) | 0.06% |
| Li Yan | Beneficial owner | 1,000,000 (L) | 0.05% |
| Xu Ming | Beneficial owner | 400,000 (L) | 0.02% |
| Sun Lixia | Beneficial owner | 20,000 (L) | 0.00% |



Corporate Governance and Other Information

Notes:

1. As at 28 February 2025, the total number of issued Shares was 2,014,248,667 shares.
2. The letter "L" denoted the person's long position in the Shares.
3. Qiaoge Company Limited is wholly-owned by Ye Liya Limited, which is in turn wholly-owned by a trust, the trustee of which is Cantrust (Far East) Limited. The trust is a discretionary trust set up by Mr. Ye Nianqiao as founder who can influence how the trustee exercises his discretion. Qiaoge Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianqiao. By virtue of Part XV of the SFO, Mr. Ye Nianqiao is deemed to be interested in the shares held by Qiaoge Company Limited.
4. Mr. Ye Nianqiao is the husband of Ms. Shu Liping. By virtue of Part XV of the SFO, Mr. Ye Nianqiao is deemed to be interested in the shares indirectly held by Ms. Shu Liping through Shuye Company Limited. Shuye Company Limited is beneficially and wholly-owned by Ms. Shu Liping through Shu Feiya Limited, which is in turn wholly owned by a discretionary trust set up by Ms. Shu Liping as founder who can influence how the trustee exercises her discretion. Shuye Company Limited is accustomed to act in accordance with the directions of Ms. Shu Liping.
5. Chenye Company Limited is wholly-owned by Ye Kasi Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Xun as founder who can influence how the trustee exercises his discretion. Chenye Company Limited is accustomed to act in accordance with the directions of Mr. Ye Xun. By virtue of Part XV of the SFO, Mr. Ye Xun is deemed to be interested in the Shares held by Chenye Company Limited.
6. Weixin Company Limited is wholly-owned by Huanleye Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Nianjiu as founder who can influence how the trustee exercises his discretion. Weixin Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianjiu. By virtue of Part XV of the SFO, Mr. Ye Nianjiu is deemed to be interested in the Shares held by Weixin Company Limited.

Save as disclosed above, as at 28 February 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the six months ended 28 February 2025 was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Corporate Governance and Other Information

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

As at 28 February 2025, to the best knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the shares or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

| Name of Shareholder | Nature of Interest | Number of Shares ⁽²⁾ | Approximate Percentage of Shareholding in the Company ⁽¹⁾ |
|---|---|---------------------------------|--|
| Cantrust (Far East) Limited | Trustee ⁽³⁾ | 677,280,000 (L) | 33.62% |
| Ye Liya Limited | Interest in a controlled corporation ⁽³⁾ | 677,280,000 (L) | 33.62% |
| Qiaoge Company Limited | Beneficial owner ⁽³⁾ | 677,280,000 (L) | 33.62% |
| Shu Liping | Founder of a discretionary trust ⁽⁴⁾ | 375,000,000 (L) | 18.62% |
| | Interest of spouse ⁽⁴⁾ | 677,280,000 (L) | 33.62% |
| Cantrust (Far East) Limited | Trustee ⁽⁴⁾ | 375,000,000 (L) | 18.62% |
| Shu Feiya Limited | Interest in a controlled corporation ⁽⁴⁾ | 375,000,000 (L) | 18.62% |
| Shuye Company Limited | Beneficial owner ⁽⁴⁾ | 375,000,000 (L) | 18.62% |
| Cantrust (Far East) Limited | Trustee ⁽⁵⁾ | 300,000,000 (L) | 14.89% |
| Ye Kasi Limited | Interest in a controlled corporation ⁽⁵⁾ | 300,000,000 (L) | 14.89% |
| Chenye Company Limited | Beneficial owner ⁽⁵⁾ | 300,000,000 (L) | 14.89% |
| Cantrust (Far East) Limited | Trustee ⁽⁶⁾ | 150,000,000 (L) | 7.45% |
| Huanleye Limited | Interest in a controlled corporation ⁽⁶⁾ | 150,000,000 (L) | 7.45% |
| Weixin Company Limited | Beneficial owner ⁽⁶⁾ | 150,000,000 (L) | 7.45% |
| SKYLINE MIRACLE LIMITED | Beneficial owner ⁽⁷⁾ | 146,666,667 (L) | 7.28% |
| Gabriel Li | Interest in a controlled corporation ⁽⁷⁾ | 146,666,667 (L) | 7.28% |
| Lam Lai Ming | Interest in a controlled corporation ⁽⁷⁾ | 146,666,667 (L) | 7.28% |
| AREO HOLDINGS LIMITED | Interest in a controlled corporation ⁽⁷⁾ | 146,666,667 (L) | 7.28% |
| ORCHID ASIA V GROUP, LIMITED | Interest in a controlled corporation ⁽⁷⁾ | 136,400,000 (L) | 6.77% |
| ORCHID ASIA V GROUP MANAGEMENT, LIMITED | Interest in a controlled corporation ⁽⁷⁾ | 136,400,000 (L) | 6.77% |
| ORCHID ASIA VII GP, LIMITED | Interest in a controlled corporation ⁽⁷⁾ | 136,400,000 (L) | 6.77% |
| OAVII HOLDINGS, L.P. | Interest in a controlled corporation ⁽⁷⁾ | 136,400,000 (L) | 6.77% |
| ORCHID ASIA VII, L.P. | Interest in a controlled corporation ⁽⁷⁾ | 136,400,000 (L) | 6.77% |



Corporate Governance and Other Information

Notes:

1. As at 28 February 2025, the total number of issued Shares was 2,014,248,667 shares.
2. The letter "L" denoted the person's long position in the Shares.
3. Qiaoge Company Limited is wholly-owned by Ye Liya Limited, which is in turn wholly-owned by a trust, the trustee of which is Cantrust (Far East) Limited. The trust is a discretionary trust set up by Mr. Ye Nianqiao as founder who can influence how the trustee exercises his discretion. Qiaoge Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianqiao. By virtue of Part XV of the SFO, Mr. Ye Nianqiao is deemed to be interested in the shares held by Qiaoge Company Limited.
4. Shuye Company Limited is wholly-owned by Shu Feiya Limited, which is in turn wholly owned by a discretionary trust set up by Ms. Shu Liping as founder who can influence how the trustee exercises her discretion. Shuye Company Limited is accustomed to act in accordance with the directions of Ms. Shu Liping. By virtue of Part XV of the SFO, Ms. Shu Liping is deemed to be interested in the Shares held by Shuye Company Limited. Mr. Ye Nianqiao is the husband of Ms. Shu Liping. By virtue of Part XV of the SFO, Ms. Shu Liping is deemed to be interested in the Shares indirectly held by Mr. Ye Nianqiao through Qiaoge Company Limited.
5. Chenye Company Limited is wholly-owned by Ye Kasi Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Xun as founder who can influence how the trustee exercises his discretion. Chenye Company Limited is accustomed to act in accordance with the directions of Mr. Ye Xun. By virtue of Part XV of the SFO, Mr. Ye Xun is deemed to be interested in the Shares held by Chenye Company Limited.
6. Weixin Company Limited is wholly-owned by Huanleye Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Nianjiu as founder who can influence how the trustee exercises his discretion. Weixin Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianjiu. By virtue of Part XV of the SFO, Mr. Ye Nianjiu is deemed to be interested in the Shares held by Weixin Company Limited.
7. Skyline Miracle Limited, was beneficially owned by Orchid Asia VII, L.P. as to 93% and Orchid Asia VII Co-Investment, Limited as to 7%. Orchid Asia VII, L.P. was wholly controlled by OAVII Holdings, L.P. (in its capacity as general partner of Orchid Asia VII, L.P.), which was in turn wholly controlled by Orchid Asia VII GP, Limited (in its capacity as general partner of OAVII Holdings, L.P.), which was in turn wholly owned by Orchid Asia V Group Management, Limited, which was in turn wholly owned by Orchid Asia V Group, Limited, which was in turn wholly owned by Areo Holdings Limited. Areo Holdings Limited was wholly owned by Ms. Lam Lai Ming. Areo Holdings Limited was also controlled by Mr. Gabriel Li by virtue of his directorship therein. Accordingly, Ms. Lam Lai Ming and Mr. Gabriel Li were taken to be interested in the Conversion Shares in which Areo Holdings Limited was interested by virtue of Part XV of the SFO.

Save as disclosed above, as at 28 February 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required pursuant to section 336 of the SFO, to be entered in the register referred to therein.

Unaudited Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 28 February 2025

| | | For the six months ended | |
|---|-------|--------------------------|------------------------|
| | | 28 February 2025 | 29 February 2024 |
| | Notes | RMB'000 (Unaudited) | RMB'000 (Unaudited) |
| REVENUE | 4 | 918,236 | 871,970 |
| Cost of sales | | (439,676) | (342,117) |
| Gross profit | | 478,560 | 529,853 |
| Other income and gains | 4 | 119,629 | 87,157 |
| Selling and distribution expenses | | (2,480) | (4,412) |
| Administrative expenses | | (94,497) | (88,756) |
| Other expenses | | (29,222) | (14,813) |
| Finance costs | | (17,016) | (28,242) |
| PROFIT BEFORE TAX | 5 | 454,974 | 480,787 |
| Income tax expense | 6 | (28,415) | (28,299) |
| PROFIT FOR THE PERIOD | | 426,559 | 452,488 |
| Attributable to: | | | |
| Owners of the parent | | 426,226 | 452,488 |
| Non-controlling interests | | 333 | – |
| | | 426,559 | 452,488 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 8 | | |
| Basic and diluted | | | |
| – For profit for the period | | RMB0.2119 | RMB0.2249 |

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 28 February 2025

| | For the six months ended | |
|--|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| PROFIT FOR THE PERIOD | 426,559 | 452,488 |
| OTHER COMPREHENSIVE INCOME | | |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | | |
| An equity investment designated at fair value through other comprehensive income: | | |
| Changes in fair value | 11,657 | 25,092 |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | 11,657 | 25,092 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 11,657 | 25,092 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 438,216 | 477,580 |
| Attributable to: | | |
| Owners of the parent | 437,883 | 477,580 |
| Non-controlling interests | 333 | — |
| | 438,216 | 477,580 |

Unaudited Interim Condensed Consolidated Statement of Financial Position

28 February 2025

| | Notes | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|--|-------|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 3,596,792 | 3,548,309 |
| Right-of-use assets | | 720,884 | 724,888 |
| Goodwill | | 692,268 | 692,268 |
| Other intangible assets | | 369,194 | 366,622 |
| An equity investment designated at fair value through other comprehensive income | | 47,948 | 36,293 |
| Prepayments, other receivables and other assets | | 849,023 | 736,899 |
| Contract costs | | 10,769 | 17,453 |
| Total non-current assets | | 6,286,878 | 6,122,732 |
| CURRENT ASSETS | | | |
| Contract costs | | 7,420 | 10,383 |
| Trade receivables | 10 | 57,206 | 42,073 |
| Prepayments, other receivables and other assets | | 308,833 | 204,028 |
| Financial assets at fair value through profit or loss | | – | 11,312 |
| Pledged deposits | | 30,840 | 110,029 |
| Cash and cash equivalents | | 1,263,750 | 1,110,375 |
| Inventories | | 4,240 | 2,597 |
| Total current assets | | 1,672,289 | 1,490,797 |

Unaudited Interim Condensed Consolidated Statement of Financial Position (Continued)

28 February 2025

| | Notes | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|--|-------|---|---|
| CURRENT LIABILITIES | | | |
| Contract liabilities | 4 | 826,309 | 771,727 |
| Other payables and accruals | | 500,903 | 586,948 |
| Dividend payable | | 111,441 | 128,621 |
| Interest-bearing bank and other borrowings | | 481,404 | 468,179 |
| Lease liabilities | | 264 | 97 |
| Tax payable | | 33,505 | 25,973 |
| Deferred income | | 351 | 1,326 |
| Total current liabilities | | 1,954,177 | 1,982,871 |
| NET CURRENT LIABILITIES | | (281,888) | (492,074) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 6,004,990 | 5,630,658 |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank and other borrowings | | 481,155 | 437,678 |
| Lease liabilities | | 9,017 | 8,634 |
| Deferred tax liabilities | | 58,545 | 51,644 |
| Deferred income | | 6,733 | 9,937 |
| Total non-current liabilities | | 555,450 | 507,893 |
| Net assets | | 5,449,540 | 5,122,765 |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 11 | 137 | 137 |
| Reserves | | 5,447,124 | 5,120,682 |
| | | 5,447,261 | 5,120,819 |
| Non-controlling interests | | 2,279 | 1,946 |
| Total equity | | 5,449,540 | 5,122,765 |

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 28 February 2025

| | Attributable to owners of the parent | | | | | | | | | |
|---|--|--------------|---------------------------------|--------------------------|--------------------------------------|--------------------|------------------|-----------|---------------------------|--------------|
| | Shares held for the restricted share award | | Capital reserve – share premium | Capital reserve – others | Statutory surplus and other reserves | Fair value reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | Share capital | award scheme | – share premium | reserve – others | surplus reserves | reserve | profits | | | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | Note 11 | Note 12 | | | | | | | | |
| At 1 September 2024 (audited) | 137 | (14,814) | 130,289 | 10,388 | 919,380 | 5,132 | 4,070,307 | 5,120,819 | 1,946 | 5,122,765 |
| Profit for the period | - | - | - | - | - | - | 426,226 | 426,226 | 333 | 426,559 |
| Other comprehensive income for the period: | | | | | | | | | | |
| Change in fair value of an equity investment at fair value through other comprehensive income | - | - | - | - | - | 11,657 | - | 11,657 | - | 11,657 |
| Total comprehensive income for the period | - | - | - | - | - | 11,657 | 426,226 | 437,883 | 333 | 438,216 |
| Final 2024 dividend | - | - | (111,441) | - | - | - | - | (111,441) | - | (111,441) |
| Transfer from retained profits | - | - | - | - | 26,946 | - | (26,946) | - | - | - |
| At 28 February 2025 (unaudited) | 137 | (14,814)* | 18,848* | 10,388* | 946,326* | 16,789* | 4,469,587* | 5,447,261 | 2,279 | 5,449,540 |

* These reserve accounts comprise the consolidated reserves of RMB5,447,124,000 in the unaudited interim condensed consolidated statement of financial position as at 28 February 2025.

Unaudited Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 28 February 2025

| Attributable to owners of the parent | | | | | | | | | |
|---|---------------|-----------------|---|---------------------------------|--------------------------|--------------------------------------|--------------------|------------------|-----------|
| | Share capital | Treasury shares | Shares held for the restricted share award scheme | Capital reserve – share premium | Capital reserve – others | Statutory and other surplus reserves | Fair value reserve | Retained profits | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | Note 11 | Note 11 | Note 12 | | | | | | |
| At 1 September 2023 (audited) | 137 | (1,595) | (14,814) | 259,870 | 10,388 | 848,004 | (25,650) | 3,315,742 | 4,392,082 |
| Profit for the period | – | – | – | – | – | – | – | 452,488 | 452,488 |
| Other comprehensive income for the period: | | | | | | | | | |
| Change in fair value of an equity investment at fair value through other comprehensive income | – | – | – | – | – | – | 26,996 | (1,904) | 25,092 |
| Total comprehensive income for the period | – | – | – | – | – | – | 26,996 | 450,584 | 477,580 |
| Transfer from retained profits | – | – | – | – | – | 48,726 | – | (48,726) | – |
| At 29 February 2024 (unaudited) | 137 | (1,595) | (14,814)* | 259,870* | 10,388* | 896,730* | 1,346* | 3,717,600* | 4,869,662 |

Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 28 February 2025

| | Notes | For the six months ended | |
|---|-------|--------------------------|---------------------|
| | | 28 February 2025 | 29 February 2024 |
| | | RMB'000 | RMB'000 |
| | | (Unaudited) | (Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 454,974 | 480,787 |
| Adjustments for: | | | |
| Finance costs | | 17,016 | 28,242 |
| Exchange loss, net | 5 | 5,805 | 916 |
| Bank interest income | 4 | (6,831) | (7,932) |
| Fair value (gain)/loss, net: | | | |
| Financial assets at fair value through profit or loss | 5 | (2,389) | 1,559 |
| Government grants released | 4 | (5,998) | (1,506) |
| Loss on disposal of items of property, plant and equipment | 5 | 277 | 5,912 |
| Depreciation of property, plant and equipment | 5 | 93,177 | 92,619 |
| Depreciation of right-of-use assets | 5 | 9,484 | 9,556 |
| Amortisation of other intangible assets | 5 | 796 | 4,311 |
| Provision for expected credit losses of trade receivables | 5 | – | 4,712 |
| | | 566,311 | 619,176 |
| Increase in inventories | | (1,643) | – |
| Increase in trade receivables | | (15,133) | (2,690) |
| Increase in prepayments, other receivables and other assets | | (101,428) | (23,748) |
| Decrease in contract costs | | 9,647 | 5,028 |
| Decrease in other payables and accruals | | (51,774) | (12,555) |
| Increase in contract liabilities | | 54,582 | 109,841 |
| Receipt of government grants | | 1,819 | 730 |
| Cash generated from operations | | 462,381 | 695,782 |
| Interest received | | 10,785 | 8,752 |
| Mainland China corporate income tax paid | | (13,982) | (13,565) |
| Net cash flows from operating activities | | 459,184 | 690,969 |

Unaudited Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 28 February 2025

| | For the six months ended | |
|--|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Net cash flows from operating activities | 459,184 | 690,969 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Advance for acquisition of a subsidiary | (73,500) | (20,000) |
| Loans to the employees | (9,447) | (617) |
| Repayments of loans to employees | 2,988 | 993 |
| Purchases of items of property, plant and equipment | (221,319) | (222,653) |
| Proceeds from disposal of items of property, plant and equipment | 29 | 577 |
| Additions to other intangible assets | (3,368) | (843) |
| Proceeds from disposal of financial assets at fair value through profit or loss | 13,701 | 158,136 |
| Proceeds from disposal of an equity investment designated at fair value through other comprehensive income | – | 5,392 |
| Decrease in pledged deposits and time deposits | 79,189 | 114,567 |
| Net cash flows (used in)/from investing activities | (211,727) | 35,552 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| New bank and other borrowings | 608,634 | 178,016 |
| Repayments of bank and other borrowings | (551,932) | (903,166) |
| Interest paid | (16,217) | (30,596) |
| Principal portion of lease payments | (141) | (112) |
| Dividends paid | (130,618) | – |
| Net cash flows used in financing activities | (90,274) | (755,858) |

Unaudited Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 28 February 2025

| | For the six months ended | |
|---|--------------------------|---------------------|
| | 28 February 2025 | 29 February 2024 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 157,183 | (29,337) |
| Cash and cash equivalents at beginning of period | 1,110,375 | 899,380 |
| Effect of foreign exchange rate changes, net | (3,808) | (1,932) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 1,263,750 | 868,111 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents as stated in the unaudited interim condensed consolidated statement of financial position and in the unaudited interim condensed consolidated statement of cash flows | 1,263,750 | 868,111 |



Notes to Unaudited Interim Condensed Consolidated Financial Statements

28 February 2025



1. CORPORATE AND GROUP INFORMATION

China Kepei Education Group Limited was incorporated in the Cayman Islands on 24 August 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 25 January 2019.

The principal activity of the Company is investment holding. During the period, the Group was principally engaged in providing private higher education services in the PRC.

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 28 February 2025 have been prepared in accordance with HKAS 34 Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 August 2024.

The Group has prepared the unaudited interim condensed consolidated financial statements on the basis of going concern. The Group recorded net current liabilities of RMB281,888,000 as at 28 February 2025. Included therein were the contract liabilities of RMB826,309,000 as at 28 February 2025, which will be settled by education services to be provided by the Group. In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance when assessing whether the Group will have sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due in the foreseeable future.

The Directors have prepared a cashflow forecast for the Group which covers a period of twelve months from the end of the Reporting Period. Taking into account the positive cashflows from operation, adequate unused loan facilities from reputable financial institutions as at 28 February 2025 and the ability of management in adjusting the pace of its operation expansion, the Directors consider that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Therefore, there are no material uncertainties that may cast significant doubt over going concern assumption and the Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to operate for the foreseeable future.

The unaudited interim condensed consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.



Notes to Unaudited Interim Condensed Consolidated Financial Statements

28 February 2025

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2024, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial statements.

| | |
|----------------------------------|--|
| Amendments to HKFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |
| Amendments to HKAS 1 | <i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments") |
| Amendments to HKAS 1 | <i>Non-current Liabilities with Covenants</i> (the "2022 Amendments") |
| Amendments to HKAS 7 and HKFRS 7 | <i>Supplier Finance Arrangements</i> |

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 September 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of education services in the PRC.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the period, the Group operated within one geographical segment because all of its revenue was generated in the PRC and the majority of its long-term assets/capital expenditures were located/incurred in the PRC. Accordingly, no further geographical segment information is presented.

Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the period (six months ended 29 February 2024: Nil).

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4. REVENUE, OTHER INCOME AND GAINS

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

| | | For the six months ended | |
|--|-------|--------------------------|-------------|
| | | 28 February | 29 February |
| | | 2025 | 2024 |
| | Notes | RMB'000 | RMB'000 |
| | | (Unaudited) | (Unaudited) |
| Revenue | | | |
| <i>Revenue from contracts with customers</i> | | | |
| Tuition fees | (a) | 869,333 | 817,895 |
| Boarding fees | (a) | 44,405 | 49,453 |
| Other education service fees | (b) | 4,498 | 4,622 |
| Total revenue | | 918,236 | 871,970 |
| Other income and gains | | | |
| Management service income | (c) | 75,008 | 51,315 |
| Bank interest income | | 6,831 | 7,932 |
| Consulting service income | | 637 | 6,975 |
| Rental income | | 12,236 | 14,838 |
| Government grants | | | |
| Related to assets | | 2,099 | 790 |
| Related to income | | 3,899 | 716 |
| Driving training income | | 1,725 | 1,418 |
| Others | | 17,194 | 3,173 |
| Total other income and gains | | 119,629 | 87,157 |

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Notes:

- (a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which was recognised over time, i.e. the academic year, of the services rendered.
- (b) Other education service fees mainly represented income received from the provision of other education services including training service to the students, which was amortised over time, i.e. the training periods of the services rendered.
- (c) Pursuant to the share management agreement dated 15 July 2021 in relation to the acquisition of Anhui School, the entire management of Anhui School was entrusted to a subsidiary of the Company with effect from the effective date of the entrustment until the completion of acquisition. In consideration for the management services provided by the subsidiaries of the Company, the Group shall be entitled to management service income during the term of the share management agreement.

Contract liabilities

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to refund of the payment in relation to the proportionate service not yet provided.

Significant changes in the contract liability balances during the period/year are as follows:

| | Six months ended 28 February 2025 RMB'000 (Unaudited) | Year ended 31 August 2024 RMB'000 (Audited) |
|---|--|--|
| At the beginning of the period/year | 771,727 | 654,946 |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year | (387,979) | (652,232) |
| Other income recognised that was included in the balance of contract liabilities at the beginning of the year | – | (1,590) |
| Increases due to cash received, excluding amounts recognised as revenue during the period/year | 445,183 | 771,268 |
| Transfer to refund liabilities during the period/year | (2,622) | (665) |
| At the end of the period/year | 826,309 | 771,727 |

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Contract liabilities (Continued)

Revenue recognised in relation to contract liabilities

The following table shows the amounts of revenue recognised in the current period that were included in the contract liabilities at the beginning of the reporting period:

| | For the six months ended | |
|--|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the period | | |
| Tuition fees | 358,739 | 327,925 |
| Boarding fees | 29,240 | 29,062 |
| Total | 387,979 | 356,987 |

Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 28 February 2025 are as follows:

| | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|--|---|---|
| Expected to be recognised within one year | | |
| As revenue – Tuition fees | 814,571 | 710,953 |
| As revenue – Boarding fees | 11,738 | 58,106 |
| As other income – Driving school training income | – | 2,668 |
| Total | 826,309 | 771,727 |

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Unsatisfied performance obligations (Continued)

The amounts of transaction prices associated with unsatisfied or partially unsatisfied performance obligations do not include variable consideration which is constrained.

There were no contract assets at the end of the reporting period recognised in the unaudited interim condensed consolidated statement of financial position.

5. PROFIT BEFORE TAX

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

| | For the six months ended | |
|---|---------------------------------|--------------------|
| | 28 February | 29 February |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| Employee benefit expense (excluding directors' and chief executive's remuneration): | | |
| Wages and salaries | 214,261 | 187,408 |
| Pension scheme contributions**** | 13,401 | 13,672 |
| Total | 227,662 | 201,080 |
| Depreciation of property, plant and equipment | 93,177 | 92,619 |
| Depreciation of right-of-use assets | 9,484 | 9,556 |
| Amortisation of other intangible assets | 796 | 4,311 |
| Provision for expected credit losses on trade receivables* | – | 4,712 |
| Loss on disposal of items of property, plant and equipment | 277 | 5,912 |
| Exchange loss, net** | 5,805 | 916 |
| Fair value (gain)/loss, net: | | |
| Financial assets at fair value through profit or loss*** | (2,389) | 1,559 |



Notes to Unaudited Interim Condensed Consolidated Financial Statements

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5. PROFIT BEFORE TAX (CONTINUED)

- * The provision for expected credit losses on trade receivables is included in administrative expenses in the unaudited interim condensed consolidated statement of profit or loss.
- ** The exchange loss is included in other expenses in the unaudited interim condensed consolidated statement of profit or loss.
- *** The fair value gain is included in other income and gains and fair value loss is included in other expenses in the unaudited interim condensed consolidated statement of profit or loss.
- **** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies ACT of the Cayman Islands and accordingly is not subject to income tax from business carried out in the Cayman Islands.

Huanan Education Group Limited, the Company's directly held subsidiary, was incorporated in the BVI as an exempted company with limited liability under the BVI Companies ACT and accordingly is not subject to income tax from business carried out in the BVI.

China Kepei Education (Hong Kong) Limited, a subsidiary incorporated in Hong Kong, is subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.



6. INCOME TAX (CONTINUED)

Pursuant to the decision (the “2016 Decision”) of the Standing Committee of the National People’s Congress on Amending the Private Schools Promotion Law of the PRC (《全國人民代表大會常務委員會關於修改〈中華人民共和國民辦教育促進法〉的決定》), which was promulgated on 7 November 2016 and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the 2021 Implementation Rules. The 2021 Implementation Rules are the detailed implementation rules of the Private Schools Promotion Law of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under both the 2016 Decision and the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

The local governments of Guangdong, Heilongjiang and Anhui province, where the PRC Schools are registered, have promulgated the Local Implementation Opinions on Encouraging Private Entities and Individuals to Operate Schools and Promote Healthy Development of Private Education (“Local Implementation Opinions”).

According to the Implementing Opinions of the Guangdong Provincial Government on Encouraging Private Entities and Individuals to Operate Schools and Promote the Healthy Development of Private Education 《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》), which was promulgated by the People’s Government of Guangdong Province on 4 May 2018 and the 2016 Decision, school sponsors of private schools which were established and registered in Guangdong prior to 7 November 2016 may choose for the schools to be for-profit private schools or non-profit private schools at their own discretion, except for the schools providing compulsory education, which must be non-profit. However, the Implementing Measures of Classification Registration for Private Schools 《關於民辦學校分類登記的實施辦法》), which was promulgated by five departments of the Guangdong province government and came into effect on 30 December 2018, do not specify a deadline for the existing private schools to elect to be registered as non-profit or for-profit private schools.



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6. INCOME TAX (CONTINUED)

According to the Local Implementation Opinions of Heilongjiang and Anhui provinces, the Group's schools are required to commence classification registration of the school as a for-profit private school or a non-profit private school by 1 September 2022 and 1 September 2023, respectively.

The Group has been conducting an internal restructuring to convert an existing school of the Group into a for-profit school to comply with the 2016 Decision and related implementing rules. The Conversion is still in progress in a smooth and orderly manner in accordance with the regulations of the relevant government authorities. As at 28 February 2025, as the applicable rules and regulations regarding the Conversion have not yet been published by the relevant local authorities, the applicable potential tax liability could not be reasonably estimated. However, based on the currently available information and the Directors' best knowledge, the Directors believe that the amount or range of reasonably potential tax liabilities, which the Group may be exposed to, will not have a material adverse effect on the Group's business, financial position, results of operations or cash flows. The Directors will make continuous review and assessment based on the progress and development of the Conversion, and will disclose the potential tax implications associated with the Conversion in the 2025 annual financial statements.

As at 28 February 2025, Anhui Province has not yet promulgated the relevant implementation rules on the for-profit registration of private schools, therefore Huaibei School has not yet commenced the classification registration process as a for-profit private school or non-profit private school and remains as a private non-enterprise unit.

As at 28 February 2025, the PRC Schools of the Group have not yet registered or completed the classification registration as for-profit private schools or non-profit private schools and remain as private non-enterprise units. The PRC Schools have applied the corporate income tax exemption treatment since their establishment in accordance with the historical tax returns filed with the relevant tax authorities. As a result, no income tax expense was recognised for the PRC Schools during the current period.

6. INCOME TAX (CONTINUED)

Considering that the relevant tax policies regarding schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remain unchanged and no further new and specific tax implementation regulations are announced, if the school nature has not yet been changed, in accordance with the tax compliance confirmations obtained from the local tax authorities for the current period, the PRC Schools did not pay corporate income tax for the income from academic educational services and have enjoyed the preferential tax treatments during the period. Following the completion of the registration of the PRC Schools as for-profit private schools, the PRC Schools may be subject to corporate income tax ("CIT") at a rate of 25% in respect of service fees which they receive from the provision of academic educational services going forward, if they do not enjoy any preferential tax treatment. As such, a significant impact on the Group's profit and loss may arise.

According to the Announcement of the State Development and Reform Commission of the General Administration of Taxation of the Ministry of Finance on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region 《(財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告)》, Tibet Kepei is entitled to a preferential CIT rate of 15% (2024: 15%). In accordance with the detailed rules of the Notice on the Implementation Measures of the Enterprise Income Tax Policy of Tibet Autonomous Region (Provisional) 《(西藏自治區企業所得稅政策實施辦法(暫行))》 promulgated by the People's Government of Tibet Autonomous Region, Tibet Kepei is entitled to the preferential tax rate of 15% while exempting from the local share of corporate income tax according to the Notice.

Pursuant to the PRC CIT Law, Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises and the respective regulations, certain eligible subsidiaries is entitled to a preferential tax rate of 20% on 25% of their respective taxable income.

The Group's other non-school subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on their respective taxable income.

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6. INCOME TAX (CONTINUED)

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

| | For the six months ended | |
|---------------------------------|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Current – Mainland China | | |
| Charge for the period | 21,514 | 21,248 |
| Deferred | 6,901 | 7,051 |
| Total tax charge for the period | 28,415 | 28,299 |

7. DIVIDENDS

| | For the six months ended | |
|--|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Final dividend declared – HK\$0.06 per ordinary share (six months ended 29 February 2024 : Nil) | 111,441 | – |
| Interim dividend proposed subsequent to the reporting period – HK\$0.07 per ordinary share (six months ended 29 February 2024: HK\$0.07) | 130,751 | 127,942 |

Subsequent to the end of the current interim period, the Directors have determined to pay an interim dividend of HKD0.07 (six months ended 29 February 2024: HKD0.07) per ordinary share, amounting to RMB130,751,000 (six months ended 29 February 2024: RMB127,942,000), to the shareholders of the Company.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the adjusted weighted average number of ordinary shares of 2,011,648,667 (six months ended 29 February 2024: 2,011,648,667) in issue during the period, which reflects the ordinary shares held for the restricted share award scheme of the Company and the treasury shares held by the Group during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

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

| | For the six months ended | |
|--|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Earnings | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation | 426,226 | 452,488 |

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8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

| | Number of shares | |
|--|--------------------------|---------------------|
| | For the six months ended | |
| | 28 February 2025 | 29 February 2024 |
| Shares | | |
| Number of ordinary shares in issue at the beginning of the period | 2,014,248,667 | 2,015,248,667 |
| Weighted average number of ordinary shares held for the Restricted Share Award Scheme | (2,600,000) | (2,600,000) |
| Weighted average number of repurchased shares | – | (1,000,000) |
| Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation | 2,011,648,667 | 2,011,648,667 |

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 28 February 2025, the Group acquired assets at a cost of RMB141,966,000 (six months ended 29 February 2024: RMB176,930,000).

Assets with a net book value of RMB306,000 were disposed of by the Group during the six months ended 28 February 2025 (six months ended 29 February 2024: RMB6,489,000), resulting in a net disposal loss of RMB277,000 (six months ended 29 February 2024: net disposal gain of RMB5,912,000).

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10. TRADE RECEIVABLES

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

| | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|---------------|---|---|
| Within 1 year | 28,669 | 21,861 |
| 1 to 2 years | 14,996 | 7,992 |
| 2 to 3 years | 3,170 | 6,841 |
| Over 3 years | 10,371 | 5,379 |
| Total | 57,206 | 42,073 |

11. SHARE CAPITAL

| | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| Issued and fully paid: | | |
| 2,014,248,667 (31 August 2024: 2,014,248,667) ordinary shares | 137 | 137 |



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12. CONTINGENT LIABILITIES

As at 28 February 2025, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (31 August 2024: Nil).

13. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

| | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|-----------------------------------|---|---|
| Contracted, but not provided for: | | |
| Buildings | 232,382 | 140,618 |
| Acquisition of a subsidiary | – | 210,000 |
| Total | 232,382 | 350,618 |

At the end of the reporting period, the Group did not have significant capital commitments that are authorised but not contracted for.

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14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

| | For the six months ended | |
|---|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Salaries, allowances and benefits in kind | 9,411 | 7,906 |
| Pension scheme contributions | 110 | 85 |
| Total | 9,521 | 7,991 |

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 28 February 2025, the fair values of the Group's financial assets and liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of trade receivables, cash and cash equivalents, pledged deposits, the current portion of financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of a listed equity investment are based on quoted market prices.

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 28 February 2025 was assessed to be insignificant. The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, non-current portion of interest-bearing bank and other borrowings approximate to their carrying amounts as at 28 February 2025.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 28 February 2025

| | Fair value measurement using | | | Total RMB'000 (Unaudited) |
|--|--|--|--|---------------------------------|
| | Quoted prices in active markets (Level 1) RMB'000 (Unaudited) | Significant observable inputs (Level 2) RMB'000 (Unaudited) | Significant unobservable inputs (Level 3) RMB'000 (Unaudited) | |
| An equity investment designated at fair value through other comprehensive income | 47,948 | – | – | 47,948 |

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 August 2024

| | Fair value measurement using | | | Total |
|--|--|--|--|--------|
| | Quoted prices in active markets (Level 1) RMB'000 (Audited) | Significant observable inputs (Level 2) RMB'000 (Audited) | Significant unobservable inputs (Level 3) RMB'000 (Audited) | |
| An equity investment designated at fair value through other comprehensive income | 36,293 | – | – | 36,293 |
| Financial assets at fair value through profit or loss | 11,312 | – | – | 11,312 |
| Total | 47,605 | – | – | 47,605 |

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15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Assets for which fair values are disclosed:

As at 28 February 2025

| | Fair value measurement using | | | Total RMB'000 (Unaudited) |
|---|------------------------------|-------------|--------------|---------------------------------|
| | Quoted prices | Significant | Significant | |
| | in active | observable | unobservable | |
| | markets | inputs | inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Non-current portion of financial assets included in prepayments, other receivables and other assets | – | 258,292 | – | 258,292 |

As at 31 August 2024

| | Fair value measurement using | | | Total RMB'000 (Audited) |
|---|------------------------------|-------------|--------------|-------------------------------|
| | Quoted prices | Significant | Significant | |
| | in active | observable | unobservable | |
| | markets | inputs | inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| Non-current portion of financial assets included in prepayments, other receivables and other assets | – | 259,164 | – | 259,164 |

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15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities for which fair values are disclosed:

As at 28 February 2025

| | Fair value measurement using | | | Total |
|--|--|--|--|---------|
| | Quoted prices in active markets (Level 1) RMB'000 (Unaudited) | Significant observable inputs (Level 2) RMB'000 (Unaudited) | Significant unobservable inputs (Level 3) RMB'000 (Unaudited) | |
| Non-current portion of interest-bearing bank and other borrowings | – | 481,155 | – | 481,155 |

As at 31 August 2024

| | Fair value measurement using | | | Total |
|--|--|--|--|---------|
| | Quoted prices in active markets (Level 1) RMB'000 (Audited) | Significant observable inputs (Level 2) RMB'000 (Audited) | Significant unobservable inputs (Level 3) RMB'000 (Audited) | |
| Non-current portion of interest-bearing bank and other borrowings | – | 437,678 | – | 437,678 |

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 29 February 2024: Nil).

16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 29 April 2025.



Definition

| | |
|-----------------------------|--|
| 2016 Decision | the decision of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國民辦教育促進法》的決定), effective on 1 September 2017 |
| 2021 Implementation Rules | the Implementation Rules for the Private Schools Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例》), effective on 1 September 2021 |
| Anhui School | Maanshan College (馬鞍山學院), a degree-granting undergraduate-level education institution established in Maanshan, Anhui Province in 2003, which is operating under the entrustment agreement with the Group and was not a consolidated subsidiary of the Group as of the date of this report |
| Audit Committee | the audit committee of the Board |
| Board | the board of directors of the Company |
| BVI | the British Virgin Islands |
| CEO | the chief executive officer of the Company |
| CG Code | the Corporate Governance Code contained in Appendix C1 to the Listing Rules |
| Chairman | the chairman of the Board of the Company |
| Company | China Kepei Education Group Limited (中國科培教育集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 24 August 2017 |
| Conversion | an internal restructuring to convert an existing school of the Group into a for-profit school |
| Directors | the directors of the Company |
| Group, our Group, we, or us | the Company, its subsidiaries and consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of its present subsidiaries, the entities which carried on the business of the present Group at the relevant time |

| | |
|-------------------------------|--|
| Guangdong School | Guangdong Polytechnic College (廣東理工學院), a degree-granting undergraduate-level education institution established in Zhaoqing, Guangdong Province on 8 December 2005 and is a consolidated affiliated entity of the Group |
| Heilongjiang School | Harbin Institute of Petroleum (哈爾濱石油學院), a degree-granting undergraduate-level education institution established in Harbin, Heilongjiang Province in September 2003 and is a consolidated affiliated entity of the Group |
| HKD | Hong Kong dollar, the lawful currency for the time being of Hong Kong |
| HKFRS | Hong Kong Financial Reporting Standards |
| Hong Kong | the Hong Kong Special Administrative Region of the PRC |
| Huaibei School | Huaibei Polytechnic College (淮北理工學院), a degree-granting undergraduate-level education institution established in Huaibei, Anhui Province in 2003 and is a consolidated affiliated entity of the Group |
| Hunan School | Hunan Software Vocational and Technical University (湖南軟件職業技術大學), a private higher education institution located in Xiangtan, Hunan Province |
| Listing Rules | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time |
| Local Implementation Opinions | the Implementation Opinions on Encouraging Private Entities and Individuals to Operate Schools and Promote Healthy Development of Private Education |
| Model Code | the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix C3 to the Listing Rules |
| Mr. Ye | Mr. Ye Nianqiao (葉念喬), our founder, one of our controlling shareholders of the Company, chairman of the Board and an executive Director |
| PRC | the People's Republic of China |
| PRC Schools | collectively, Guangdong Polytechnic College (廣東理工學院), Zhaoqing Science and Technology Secondary Vocational School (肇慶市科技中等職業學校), Harbin Institute of Petroleum (哈爾濱石油學院) and Huaibei Polytechnic College (淮北理工學院) |



Definition

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|-------------------------------|---|
| Reporting Period | the six months ended 28 February 2025 |
| Restricted Shares | any Share(s) that may be offered by the Company to any selected participant to the Restricted Award Scheme |
| Restricted Share Award Scheme | the restricted share award scheme adopted by the Company on 22 June 2020, which has been terminated as of the date of this report |
| RMB | Renminbi, the lawful currency for the time being of the PRC |
| SFO | the Securities and Futures Ordinance (Cap 571), as amended and supplemented from time to time |
| Share(s) | ordinary share(s) of USD0.00001 each in the share capital |
| Shareholder(s) | holder(s) of the Share(s) |
| Stock Exchange | the Stock Exchange of Hong Kong Limited |
| Subsidiary(ies) | has the meaning ascribed to it under the Listing Rules |
| Substantial Shareholder(s) | has the meaning ascribed to it under the Listing Rules |
| Tibet Kepei | Tibet Kepei Information Technology Company Limited, a company registered as wholly-foreign-owned enterprise of the Company under the PRC law |
| USD | United States dollars, the lawful currency for the time being of the United States |
| Zhaoqing School | Zhaoqing Science and Technology Secondary Vocational School (肇慶市科技中等職業學校), a private secondary vocational education institution established in Zhaoqing, Guangdong Province on 19 May 2000 and is a consolidated affiliated entity of the Group |