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# CHINA YUHUA EDUCATION CORPORATION LIMITED

## 中国宇华教育集团有限公司

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

**(Stock Code: 6169)**

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

#### HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China YuHua Education Corporation Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 28 February 2025. These interim results except for the non-IFRS measures have been reviewed by the Company’s audit committee (the “**Audit Committee**”) and the Company’s auditor, PricewaterhouseCoopers.

	Six months ended		Change
	28 February 2025 (Unaudited)	29 February 2024 (Unaudited)	
<b>(RMB’000)</b>			
Revenue	<b>1,278,104</b>	1,191,796	+7.2%
Gross Profit	<b>597,927</b>	397,225	+50.5%
Adjusted Gross Profit <sup>1</sup>	<b>617,397</b>	416,252	+48.3%
Adjusted Net Profit attributable to owners of the Company <sup>2</sup>	<b>434,529</b>	208,161	+108.7%

*Notes:*

- (1) The Adjusted Gross Profit for the six months ended 28 February 2025 is calculated as gross profit from continuing operations for the period, excluding (i) share-based expense (in cost of revenue) and (ii) additional depreciation and amortisation due to the provisional fair value adjustments to the acquired identifiable assets of LEI Lie Ying Limited and its subsidiaries (including Hunan Lie Ying Industry Co., Ltd. (湖南獵鷹實業有限公司) (“**Hunan Lie Ying**”), which in turn owns the entire sponsorship interests in Hunan International Economics University (湖南涉外經濟學院), Hunan Lie Ying Mechanic School (湖南獵鷹技工學校) and Hunan International Economics University Vocational Skills Training Centre (湖南涉外經濟學院職業技能培訓中心), collectively “**HIEU Schools**”), Kaifeng City Yubohui Education Information Consulting Co., Ltd. (“**Yubohui Education**”) and its subsidiaries (including Kaifeng City Xiangfu District Bowang High School (“**Bowang High School**”)), and Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).
- (2) The Adjusted Net Profit attributable to owners of the Company for the six months ended 28 February 2025 and the six months ended 29 February 2024 is calculated as the net profit attributable to the owners of the Company, excluding (i) share-based compensation expense; (ii) additional depreciation and amortization arising from the provisional fair value adjustments to the acquired identifiable assets mentioned above in (1); (iii) government grants recognised during the period; (iv) gains and losses related to convertible bond recognised during the period; and (v) net profit from discontinued operations, Thai Education Holdings Co., Ltd. (“**TEDCO**”) and its subsidiaries (including Stamford International University).

## **Non-IFRS Measures**

To supplement the Group’s consolidated financial statements which are presented in accordance with the International Financial Reporting Standards (“**IFRS**”), the Company also uses Adjusted Gross Profit, Adjusted Operating Profit, Adjusted Net Profit and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group’s operating performance.

The Company believes that these measures provide useful information to shareholders and potential investors in understanding and evaluating the Group’s consolidated results of operations in the same manner as they help the Group’s management. However, the Company’s presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Company’s results of operations or financial condition as reported under IFRS.

## Calculation of the Adjusted Gross Profit

	<b>Six months ended</b>	
	<b>28 February</b>	<b>29 February</b>
	<b>2025</b>	<b>2024</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>
Gross Profit from continuing operations	<b>597,927</b>	397,225
Share-based compensation expenses in Cost of revenue	<b>2,924</b>	2,739
Additional depreciation and amortization due to the fair value adjustments to the acquired identifiable assets		
— HIEU Schools	<b>4,794</b>	5,019
— Bowang High School	<b>771</b>	771
— Shandong Yingcai University	<b>10,981</b>	10,498
<b>Adjusted Gross Profit</b>	<b>617,397</b>	416,252

## Calculation of the Adjusted Net Profit attributable to the owners of the Company

	Six months ended	
	28 February 2025 (RMB'000)	29 February 2024 (RMB'000)
<b>Net profit attributable to the owners of the Company</b>	<b>405,788</b>	193,255
Net profit from discontinued operations	(16,848)	(19,279)
Share-based compensation expenses in Cost of revenue	2,924	2,739
Share-based compensation expense in Administrative expenses	4,867	4,631
Additional depreciation and amortization due to the fair value adjustments to the acquired identifiable assets		
— HIEU Schools	4,841	5,068
— Bowang High School	595	595
— Shandong Yingcai University	10,981	10,498
Gains and losses related to convertible bonds <sup>1</sup>		
— Change in fair value on convertible bonds	24,190	15,208
— Net gains on repurchase of convertible bonds	(16,928)	—
— Losses arising from revising the terms of convertible bonds	18,075	—
Government grants	(3,956)	(4,554)
<b>Adjusted Net Profit attributable to the owners of the Company</b>	<b>434,529</b>	208,161

Note:

- Details are set out in Note 6: Other losses — net.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		28 February 2025	29 February 2024
	Note	<i>RMB'000</i> (Unaudited)	(Note 17) <i>RMB'000</i> (Unaudited)
<b>Continuing operations</b>			
Revenue	4	1,278,104	1,191,796
Cost of revenue	5	<u>(680,177)</u>	<u>(794,571)</u>
<b>Gross profit</b>		<b>597,927</b>	397,225
Selling expenses	5	(16,782)	(18,558)
Administrative expenses	5	(158,544)	(152,528)
Net impairment losses on financial assets		(1,040)	(3,072)
Other income		7,265	8,634
Other losses — net	6	<u>(31,518)</u>	<u>(47,192)</u>
<b>Operating profit</b>		<b>397,308</b>	184,509
Finance income		11,943	13,963
Finance expenses		<u>(22,479)</u>	<u>(27,037)</u>
Finance expenses — net		(10,536)	(13,074)
<b>Profit before income tax</b>		<b>386,772</b>	171,435
Income taxation	7	<u>3,746</u>	<u>4,624</u>
<b>Profit for the period from continuing operations</b>		<b>390,518</b>	176,059
<b>Discontinued operations</b>			
Profit for the period from discontinued operations, net of tax	17	<u>16,848</u>	<u>19,279</u>
<b>Profit for the period</b>		<b><u>407,366</u></b>	<b><u>195,338</u></b>

		<b>Six months ended</b>	
		<b>28 February 2025</b>	<b>29 February 2024</b>
			(Note 17)
	Note	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit attributable to:</b>			
Owners of the Company			
— Continuing operations		<b>388,940</b>	173,976
— Discontinued operations	17	<b>16,848</b>	19,279
		<b>405,788</b>	193,255
Non-controlling interests			
— Continuing operations		<b>1,578</b>	2,083
— Discontinued operations	17	<b>—</b>	<b>—</b>
		<b>1,578</b>	2,083
<b>Earnings per share attributable to owners of the Company (RMB Yuan)</b>			
Basic earnings per share			
— For the period	8	<b>0.11</b>	0.05
— For the period from continuing operations	8	<b>0.11</b>	0.05
Diluted earnings per share			
— For the period	8	<b>0.10</b>	0.05
— For the period from continuing operations	8	<b>0.10</b>	0.05

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended	
		28 February 2025	29 February 2024
	Note	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
<b>Profit for the period</b>		<b>407,366</b>	195,338
— Continuing operations		<b>390,518</b>	176,059
— Discontinued operations		<b>16,848</b>	19,279
<b>Other comprehensive income</b>			
— Continuing operations			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<b>(14,882)</b>	(7,569)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value related to the changes in credit risk of convertible bonds		<b>104,710</b>	1,213
Transfer of changes in fair value related to the changes in the credit risk of convertible bonds due to the termination of convertible bonds		<b>(369,382)</b>	—
Currency translation differences		<b>12,118</b>	(395)
— Discontinued operations			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences	17	<b>3,172</b>	(3,796)
<b>Other comprehensive income for the period, net of tax</b>		<b>(264,264)</b>	(10,547)
<b>Total comprehensive income for the period</b>		<b>143,102</b>	184,791

<b>Six months ended</b>	
<b>28 February</b>	<b>29 February</b>
<b>2025</b>	<b>2024</b>
<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>

**Total comprehensive income for the period  
attributable to:**

— Owners of the Company	<b>141,524</b>	182,708
— Non-controlling interests	<b>1,578</b>	2,083
	<u><b>143,102</b></u>	<u>184,791</u>

**Total comprehensive income for the period  
attributable to owners of the Company arises  
from:**

— Continuing operations	<b>121,504</b>	167,225
— Discontinued operations	<b>20,020</b>	15,483
	<u><b>141,524</b></u>	<u>182,708</u>



## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at 28 February 2025	As at 31 August 2024
	Note	<b>RMB'000</b> (Unaudited)	<b>RMB'000</b> (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	7,246,349	7,084,757
Intangible assets	9	1,379,122	1,451,810
Right-of-use assets	9	1,692,770	1,833,494
Other non-current assets		351	11,625
<b>Total non-current assets</b>		<b>10,318,592</b>	10,381,686
<b>Current assets</b>			
Trade and other receivables	10	229,366	66,697
Assets classified as held for sale	17	381,895	—
Restricted cash		—	681
Cash and cash equivalents		1,294,436	2,090,467
<b>Total current assets</b>		<b>1,905,697</b>	2,157,845
<b>Total assets</b>		<b>12,224,289</b>	12,539,531
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	11	30	30
Share premium	11	1,762,405	1,762,405
Reserves		1,419,141	1,445,104
Retained earnings		5,056,351	4,281,181
<b>Capital and reserves attributable to owners of the Company</b>		<b>8,237,927</b>	7,488,720
<b>Non-controlling interests</b>		<b>46,658</b>	45,080
<b>Total equity</b>		<b>8,284,585</b>	7,533,800

		As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
	Note		
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	9	11,188	16,052
Deferred income		163,135	164,910
Deferred income tax liabilities	15	441,222	475,868
Borrowings	13	279,980	286,990
<b>Total non-current liabilities</b>		<b>895,525</b>	<b>943,820</b>
<b>Current liabilities</b>			
Accruals and other payables	12	1,062,154	1,193,805
Contract liabilities		1,271,979	1,013,408
Lease liabilities	9	6,329	7,360
Borrowings	13	230,010	1,098,010
Financial liabilities at fair value through profit or loss	14	22,129	749,328
Deferred income	17	178,984	—
Liabilities directly associated with assets classified as held for sale	17	272,594	—
<b>Total current liabilities</b>		<b>3,044,179</b>	<b>4,061,911</b>
<b>Total liabilities</b>		<b>3,939,704</b>	<b>5,005,731</b>
<b>Total equity and liabilities</b>		<b>12,224,289</b>	<b>12,539,531</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended	
		28 February 2025	29 February 2024
Note		<b>RMB'000</b> <b>(Unaudited)</b>	<b>RMB'000</b> <b>(Unaudited)</b>
<b>Cash flows from operating activities</b>			
	Cash generated from operations (continuing operations)	1,078,060	1,096,165
	Interest received	9,776	13,125
	Interest paid	<u>(24,351)</u>	<u>(24,419)</u>
		<u>1,063,485</u>	<u>1,084,871</u>
	Discontinued operations	<u>4,601</u>	<u>7,091</u>
	Net cash generated from operating activities	<u>1,068,086</u>	<u>1,091,962</u>
<b>Cash flows from investing activities</b>			
	Purchases of property, plant and equipment	(615,113)	(1,802,276)
	Proceeds from disposal of property, plant and equipment	294	232
	Purchases of intangible assets	(4,496)	(49,653)
	Proceeds from disposal of intangible assets	8	1
	Payments of prepaid land lease payments	—	(36,899)
	Changes in restricted cash	681	8
	Received in advance from disposal of subsidiaries in Thailand	17      178,984	—
	Cash and cash equivalents held by the disposal subsidiaries in Thailand	17 <u>(102,081)</u>	<u>—</u>
		<u>(541,723)</u>	<u>(1,888,587)</u>
	Discontinued operations	<u>(17,173)</u>	<u>(613)</u>
	Net cash used in investing activities	<u>(558,896)</u>	<u>(1,889,200)</u>

		<b>Six months ended</b>	
		<b>28 February</b>	<b>29 February</b>
		<b>2025</b>	<b>2024</b>
		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		Note	
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	13	<b>150,000</b>	400,000
Repayments of borrowings	13	<b>(1,025,010)</b>	(606,900)
Redemption of convertible bonds	14	<b>(397,921)</b>	—
Repurchase of convertible bonds	14	<b>(29,438)</b>	—
Principal elements of lease payments or finance lease payments		<b>(3,993)</b>	(6,221)
		<b>(1,306,362)</b>	(213,121)
Discontinued operations		<b>(530)</b>	(717)
Net cash used in financing activities		<b>(1,306,892)</b>	(213,838)
<b>Net decrease in cash and cash equivalents</b>		<b>(797,702)</b>	(1,011,076)
Cash and cash equivalents at beginning of the period		<b>2,090,467</b>	2,370,966
Exchange gains/(losses) on cash and cash equivalents		<b>1,671</b>	(2,050)
— Continuing operations		<b>893</b>	(1,161)
— Discontinued operations		<b>778</b>	(889)
<b>Cash and cash equivalents at end of the period</b>		<b>1,294,436</b>	<b>1,357,840</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1 General information

China YuHua Education Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of private formal education services from high school to university in mainland China and the Kingdom of Thailand (“**Thailand**”) (the “**Business**”).

The Company was incorporated in the Cayman Islands on 25 April 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. The address of the Company’s registered office is at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands. The ultimate holding company of the Company is GuangYu Investment Holdings Limited (“**GuangYu Investment**”). The ultimate controlling party of the Group is Mr. Li Guangyu, who is also the Chairman of the Board of Directors of the Company (the “**Controlling Shareholder**”).

The Group conducts a substantial portion of its businesses through control of certain entities established in the PRC, together with their wholly owned schools, by way of contractual agreements (collectively the “**Consolidated Affiliated Entities**”), due to the regulatory restrictions on foreign ownership of schools in the PRC. During the period, the Board of Directors (the “**Directors**”) re-assessed and concluded that the contractual agreements continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are legally enforceable. Accordingly, the Directors are of the view that the Company continues to control over the Consolidated Affiliated Entities and therefore consolidates the Consolidated Affiliated Entities in this interim condensed consolidated financial information.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 28 February 2017 (the “**Listing**”).

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”).

## **2 Basis of preparation**

This interim condensed consolidated financial information for the six months ended 28 February 2025 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 August 2024, which have been prepared in accordance with IFRS Accounting Standards.

### **2.1 Going concern**

As at 28 February 2025, the Group’s current liabilities exceeded its current assets by RMB1,138,482,000. Included in the current liabilities as at 28 February 2025 were contract liabilities of RMB1,271,979,000 relating to tuition and boarding fees received in advanced, net payables to the Affected Business upon deconsolidation of RMB594,030,000, current borrowings of RMB230,010,000, and the warrants to be issued which were classified under financial liabilities at fair value through profit or loss of RMB22,129,000. In addition, as at 28 February 2025, the Group had non-current borrowings of RMB279,980,000, the principals of which were all repayable more than twelve months from the period end date in accordance with the respective borrowing agreements. The Group had cash and cash equivalents of RMB1,294,436,000 as at 28 February 2025.

Management has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern and concluded that the Group will have sufficient financial resources to support its operations and to meet its financial obligations and commitments as and when they fall due on the coming twelve months from 28 February 2025.

The directors of the Company have reviewed the management’s assessment together with the underlying basis and are satisfied that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

## **3 Accounting policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 August 2024.

### **(a) New and amended standards adopted by the Group**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 September 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to IAS 1

- Lease Liability in Sale and Leaseback — Amendments to IFRS 16, and
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

The above standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New standards and interpretations not yet adopted**

Certain amendments to accounting standards have been published and are not mandatory for February 28, 2025 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### **4 Revenue and segment information**

The Group is principally engaged in the provision of private formal education from high school (Grade 10 to 12) to university and vocational college education services in mainland China and Thailand.

The executive directors are identified as the chief operating decision-maker (the “**CODM**”) of the Group. Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The CODM considers the business from the service perspective. When the Group companies have similar economic characteristics, and the segments are similar in each of the following respects: (i) the nature of the services; (ii) the type or class of students for their services; (iii) the methods used to provide their services; and (iv) if applicable, the nature of the regulatory environment, the Group’s operating segments are aggregated. During the period, in the view of CODM, the Group is principally engaged in two different segments which are subject to different business risks and different economic characteristics and the Group’s operating and reportable segments for segment reporting purpose are High School and Universities and vocational college, respectively.

For the purposes of monitoring segment performances and allocating resources between segments, segment results represent the profit for the period earned by each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Assets and liabilities dedicated to a particular segment’s operations are included in that segment’s total assets and liabilities.

The Group has a large number of customers, no single customer accounted for more than 10% of the Group’s total revenue for the six months ended 28 February 2025 and 29 February 2024.

As disclosed in Note 17, the disposal of the Group's subsidiaries in the Thailand was in process as at 28 February 2025. Therefore, the Group's Thailand operations were classified as discontinued operations and were presented separately in the interim condensed consolidated statement of profit or loss for the six months ended 28 February 2025. The comparative information relating to the discontinued operations has been re-presented to conform to the current period's presentation. As at 28 February 2025, the assets and liabilities of the Group's subsidiaries in the Thailand were classified under held for sale assets and held for sale liabilities separately in the interim condensed consolidated balance sheet.

The CODM did not separately review the results of the Group's Thailand operations as: (i) the disposal of the Group's Thailand operations was in process; and (ii) the discontinued operations do not meet the quantitative threshold for disclosure. Therefore, no additional disclosures were required.

The information of the reportable segments provided to the CODM is as follows:

	High school <i>RMB'000</i>	Universities and vocational college <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Unaudited</b>					
<b>For the six months ended</b>					
<b>28 February 2025</b>					
Revenue	74,873	1,203,231	419	(419)	1,278,104
Cost of revenue	(62,146)	(618,031)	—	—	(680,177)
<b>Gross profit</b>	<b>12,727</b>	<b>585,200</b>	<b>419</b>	<b>(419)</b>	<b>597,927</b>
Selling expenses	(827)	(15,955)	—	—	(16,782)
Administrative expenses	(8,305)	(138,910)	(11,748)	419	(158,544)
Net impairment losses on financial assets	—	(1,040)	—	—	(1,040)
Other income	202	7,187	(124)	—	7,265
Other losses — net	(18)	(3,190)	(28,310)	—	(31,518)
<b>Operating profit</b>	<b>3,779</b>	<b>433,292</b>	<b>(39,763)</b>	<b>—</b>	<b>397,308</b>
Finance income/(expenses) — net	1,419	(7,161)	(4,794)	—	(10,536)
<b>Profit before income tax</b>	<b>5,198</b>	<b>426,131</b>	<b>(44,557)</b>	<b>—</b>	<b>386,772</b>
Income taxation	213	3,533	—	—	3,746
<b>Profit for the period</b>	<b>5,411</b>	<b>429,664</b>	<b>(44,557)</b>	<b>—</b>	<b>390,518</b>
<b>Profit for the period from discontinued operations</b>	<b>—</b>	<b>16,848</b>	<b>—</b>	<b>—</b>	<b>16,848</b>



	High school	Universities and vocational college	Unallocated	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Unaudited</b>					
<b>As at 28 February 2025</b>					
Total assets	1,530,369	15,321,105	3,020,351	(7,647,536)	12,224,289
— Continuing operations	1,530,369	14,939,210	3,020,351	(7,647,536)	11,842,394
— Discontinued operations	—	381,895	—	—	381,895
Total liabilities	464,279	5,652,168	5,794,135	(7,970,878)	3,939,704
— Continuing operations	464,279	5,379,574	5,794,135	(7,970,878)	3,667,110
— Discontinued operations	—	272,594	—	—	272,594
<b>Other segment information</b>					
<b>For the six months ended</b>					
<b>28 February 2025</b>					
Additions to non-current assets	8,555	568,405	—	—	576,960
— Continuing operations	8,555	551,232	—	—	559,787
— Discontinued operations	—	17,173	—	—	17,173
Depreciation and amortisation	(22,475)	(337,692)	(1,455)	—	(361,622)
— Continuing operations (Note 5)	(22,475)	(330,327)	(1,455)	—	(354,257)
— Discontinued operations	—	(7,365)	—	—	(7,365)
Losses on disposal of property, plant and equipment and disposal of intangible assets	14	1,075	1	—	1,090
— Continuing operations (Note 6)	14	1,075	1	—	1,090
— Discontinued operations	—	—	—	—	—

	High school <i>RMB'000</i>	Universities and vocational college <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Unaudited</b>					
<b>For the six months ended</b>					
<b>29 February 2024</b>					
Revenue	77,115	1,114,681	473	(473)	1,191,796
Cost of revenue	(61,151)	(733,420)	—	—	(794,571)
<b>Gross profit</b>	15,964	381,261	473	(473)	397,225
Selling expenses	(718)	(17,840)	—	—	(18,558)
Administrative expenses	(4,569)	(137,532)	(10,900)	473	(152,528)
Net impairment losses on financial assets	—	(3,072)	—	—	(3,072)
Other income	653	7,971	10	—	8,634
Other losses — net	(6,985)	(24,994)	(15,213)	—	(47,192)
<b>Operating profit</b>	4,345	205,794	(25,630)	—	184,509
Finance income/(expenses) — net	2,112	(7,862)	(7,324)	—	(13,074)
<b>Profit before income tax</b>	6,457	197,932	(32,954)	—	171,435
Income taxation	213	4,411	—	—	4,624
<b>Profit for the period</b>	<u>6,670</u>	<u>202,343</u>	<u>(32,954)</u>	<u>—</u>	<u>176,059</u>
<b>Profit for the period from discontinued operations</b>	<u>—</u>	<u>19,279</u>	<u>—</u>	<u>—</u>	<u>19,279</u>

	High school <i>RMB'000</i>	Universities and vocational college <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Unaudited</b>					
<b>As at 29 February 2024</b>					
Total assets	1,507,199	14,131,408	3,184,234	(6,643,353)	12,179,488
Total liabilities	450,769	5,205,347	6,345,341	(7,007,702)	4,993,755
<b>Other segment information</b>					
<b>For the six months ended</b>					
<b>29 February 2024</b>					
Additions to non-current assets	14,542	1,714,733	—	—	1,729,275
Depreciation and amortisation	(15,642)	(284,322)	(1,696)	—	(301,660)
— Continuing operations (Note 5)	(15,642)	(277,793)	(1,696)	—	(295,131)
— Discontinued operations	—	(6,529)	—	—	(6,529)
Losses on disposal of property, plant and equipment and disposal of intangible assets	59	7,649	5	—	7,713
— Continuing operations (Note 6)	59	7,649	5	—	7,713
— Discontinued operations	—	—	—	—	—

## 5 Expenses by nature

	<b>Six months ended</b>	
	<b>28 February</b>	<b>29 February</b>
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<i>(Re-presented)</i>
Employee benefit expenses	<b>319,266</b>	357,595
— Wages, salaries, bonus and other welfare	<b>311,475</b>	350,225
— Share-based compensation expenses	<b>7,791</b>	7,370
Depreciation expenses		
— property, plant and equipment	<b>307,308</b>	248,608
— right-of-use assets	<b>30,272</b>	31,176
Amortisation of intangible assets	<b>16,677</b>	15,347
Students training and scholarship expenses	<b>48,945</b>	106,503
School consumables	<b>12,732</b>	40,510
Utilities expenses	<b>21,048</b>	23,643
Maintenance expenses	<b>23,162</b>	43,632
Marketing expenses	<b>14,776</b>	17,171
Expense relating to short-term leases	<b>1,690</b>	2,640
Office expenses	<b>41,821</b>	61,344
Auditor's remuneration	<b>1,400</b>	1,400
— Audit and audit related services	<b>1,400</b>	1,400
— Non-audit services	<b>—</b>	—
Consultancy and professional fee	<b>4,041</b>	1,544
Travel and entertainment expenses	<b>6,268</b>	7,456
Other expenses	<b>6,097</b>	7,088
	<b>855,503</b>	965,657

## 6 Other losses — net

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Fair value loss on convertible bonds	(24,190)	(15,208)
Fair value loss on warrants to be issued	(2,973)	—
Losses on redemption of convertible bonds (Note 14)	(18,075)	—
Gains on repurchase of convertible bonds (Note 14)	16,928	—
Provision for legal claims (a)	(2,176)	(17,401)
Losses on disposal of property, plant and equipment	(1,090)	(7,713)
Donation	58	54
Write-off of other non-current assets	—	(6,924)
	<u>(31,518)</u>	<u>(47,192)</u>

- (a) On 15 December 2023, the Intermediate People's Court of Changsha City in the Hunan Province handed down a final judgment that Hunan Lie Ying Industry Co., Ltd. (“**Hunan Lie Ying**”), a wholly owned subsidiary acquired by the Group in 2017, is liable to pay up the capital of Hunan Su Yue Sen Construction Engineering Co., Ltd. amounting to RMB17,401,000, where Hunan Lie Ying was a shareholder prior to 2013. The amount is recognized as an other loss in the income statement.

## 7 Income taxation

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited) (Re-presented)
Current income tax	—	—
Current income tax on profits before income tax for the period	—	—
Deferred income tax		
Decrease in deferred income tax assets (Note 15)	942	—
Decrease in deferred income tax liabilities (Note 15)	(4,688)	(4,624)
Total deferred income tax benefit	<u>(3,746)</u>	<u>(4,624)</u>
Income taxation	<u>(3,746)</u>	<u>(4,624)</u>

**(a) Cayman Islands**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

**(b) Hong Kong**

No provision for Hong Kong profit tax was provided as the Group did not derive any assessable profits in Hong Kong (2024: Nil).

**(c) Mainland China**

Corporate income tax (“CIT”) in mainland China is provided on estimated taxable profits of entities incorporated in mainland China. Pursuant to the Corporate Income Tax Law of the PRC (the “CIT Law”), which was effective from January 2008, the CIT rate applicable to the Group’s subsidiaries incorporated in mainland China was 25% during the six months ended 28 February 2025 and 29 February 2024.

According to the Implementation Rules for the Law for Promoting Private Education, private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. As a result, private schools providing academic qualification education are eligible to enjoy CIT exemption treatment if the sponsors of such schools do not require reasonable returns. The Group’s high schools and universities in the mainland China have been granted corporate income tax exemption for the tuition income from relevant local tax authorities. Zhengzhou Software Vocational and Technical College is subject to corporate income tax. During the period, this school did not derived any taxable profit.

The corporate income tax rate for Xizang Yuanpei Information Technology Management Company Limited (“Xizang Yuanpei”), a wholly-owned subsidiary of the Company, is 15% based on the relevant tax regulations of Tibet Autonomous Region.

**(d) Thailand**

The statutory corporate income tax rate applied on the taxable profits for Thailand companies is 20% (2024: 20%). According to the relevant Thailand regulations, entities which engages in provision of higher education services are not subject to Thailand income taxes.

## 8 Earnings per share

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	Six months ended	
	28 February 2025 (Unaudited)	29 February 2024 (Unaudited)
Profit attribute to owners of the Company (RMB'000)		
— for the period	<b>405,788</b>	193,255
— for the period from continuing operations	<b>388,940</b>	173,976
Weighted average number of ordinary shares in issue (Thousands)	<b>3,672,788</b>	3,606,788
Basic earnings per share (RMB Yuan)		
— for the period	<b>0.11</b>	0.05
— for the period from continuing operations	<b>0.11</b>	0.05

**(b) Diluted**

Diluted earnings per share is calculated based on the profit attributable to owners of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	<b>Six months ended</b>	
	<b>28 February 2025 (Unaudited)</b>	<b>29 February 2024 (Unaudited)</b>
Profit attributable to owners of the Company (RMB'000)		
— for the period	<b>405,788</b>	193,255
— for the period from continuing operations	<b>388,940</b>	173,976
Adjustments for:		
— impact of the Convertible Bonds (RMB'000)	<b>29,234</b>	19,203
Adjusted profit attributable to owners of the Company (RMB'000)		
— for the period	<b>435,022</b>	212,458
— for the period from continuing operations	<b>418,174</b>	193,179
Weighted average number of ordinary shares in issue (Thousands)	<b>3,672,788</b>	3,606,788
Adjustments for:		
— impact of the Convertible Bonds (Thousands)	<b>502,320</b>	590,303
Adjusted weighted average number of ordinary shares for diluted earnings per share (Thousands)	<b>4,175,108</b>	4,197,091
Diluted earnings per share (RMB Yuan)		
— for the period	<b>0.10</b>	0.05
— for the period from continuing operations	<b>0.10</b>	0.05



## 9 Property, plant and equipment, intangible assets, and leases

### (a) Property, plant and equipment and intangible assets

	Property, plant and equipment <i>RMB'000</i> (Unaudited)	Trademark <i>RMB'000</i> (Unaudited)	Goodwill <i>RMB'000</i> (Unaudited)	Other intangible assets <i>RMB'000</i> (Unaudited)
<b>Six months ended 28 February 2025</b>				
Opening net book amount	7,084,757	428,150	903,917	119,743
Additions	572,464	—	—	4,496
Disposals	(1,384)	—	—	(8)
Depreciation and amortisation	(311,691)	(2,144)	—	(16,677)
— Continuing operations	(307,308)	—	—	(16,677)
— Discontinuing operations	(4,383)	(2,144)	—	—
Disposal of subsidiaries (Note 17)	(98,715)	(16,795)	(41,560)	—
Exchange differences	918	—	—	—
<b>Closing net book amount</b>	<b>7,246,349</b>	<b>409,211</b>	<b>862,357</b>	<b>107,554</b>
<b>Six months ended 29 February 2024</b>				
Opening net book amount	5,862,436	432,438	1,084,625	92,139
Additions	1,642,468	—	—	49,653
Disposals	(7,945)	—	—	(1)
Depreciation and amortisation	(252,219)	(2,144)	—	(15,347)
— Continuing operations	(248,608)	—	—	(15,347)
— Discontinuing operations	(3,611)	(2,144)	—	—
Exchange differences	(2,754)	—	—	—
<b>Closing net book amount</b>	<b>7,241,986</b>	<b>430,294</b>	<b>1,084,625</b>	<b>126,444</b>

As at 28 February 2025, the carrying amount of buildings without building ownership certificates was RMB343,690,000 (31 August 2024: RMB276,610,000). The Group is in the process to obtain the certificates.

**(b) Leases**

**(i) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases:

	<b>As at 28 February 2025 <i>RMB'000</i> (Unaudited)</b>	<b>As at 31 August 2024 <i>RMB'000</i> (Audited)</b>
Right-of-use assets		
— Buildings	<b>18,575</b>	27,117
— leasehold land	<b>1,674,195</b>	1,806,101
— Vehicles	<b>—</b>	276
	<b><u>1,692,770</u></b>	<b><u>1,833,494</u></b>
Lease liabilities		
— Current	<b>6,329</b>	7,360
— Non-current	<b>11,188</b>	16,052
	<b><u>17,517</u></b>	<b><u>23,412</u></b>

(ii) *Amounts recognised in the statement of profit or loss*

The statement of profit or loss shows the following amounts relating to leases:

	<b>Six months ended</b>	
	<b>28 February 2025 RMB'000 (Unaudited)</b>	<b>29 February 2024 RMB'000 (Unaudited)</b>
Depreciation charge of right-of-use assets		
Continuing operations		
— Buildings	<b>4,569</b>	5,705
— Leasehold land	<b>25,703</b>	25,471
	<b>30,272</b>	31,176
Discontinuing operations (Note 17)		
— Buildings	<b>675</b>	640
— Vehicles	<b>163</b>	134
	<b>838</b>	774
Interest expense (included in finance expense)	<b>641</b>	490
Expense relating to short-term leases (included in cost of revenue and administrative expenses)	<b>1,690</b>	2,640

(iii) *The Group's leasing activities and how these are accounted for*

The Group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(iv) As at 28 February 2025, the carrying value of the land use right allocated by the government was RMB438,544,000 (31 August 2024: RMB445,376,000).

(v) As at 28 February 2025, the carrying amount of leasehold land without land use right certificates was RMB15,706,000 (31 August 2024: RMB16,193,000). The Group is in the process of applying for the certificates.

## 10 Trade and other receivables

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
Trade receivables		
Due from students	14,278	14,578
Provision for impairment	(9,714)	(8,881)
	<u>4,564</u>	<u>5,697</u>
Other receivables		
Receivables from disposal subsidiaries (a)	166,066	—
Receivables from local government	46,202	49,202
Deposits	2,342	2,342
Staff advances	2,251	2,614
Others	652	5,050
	<u>(515)</u>	<u>(737)</u>
Provision for impairment	<u>216,998</u>	<u>58,471</u>
Prepayments		
Prepaid expenses	<u>7,804</u>	<u>2,529</u>
	<u><u>229,366</u></u>	<u><u>66,697</u></u>

*Note:*

- (a) The amount represents receivables due from TEDCO and its subsidiaries as the assets and liabilities of TEDCO and its subsidiaries were classified under held for sale, this amount was no longer internal offset within the Group as at 28 February 2025.

The aging analysis of the trade receivables based on the invoice date is set as followings:

	<b>As at 28 February 2025 RMB'000 (Unaudited)</b>	<b>As at 31 August 2024 RMB'000 (Audited)</b>
Less than 1 year	<b>6,382</b>	7,790
Over 1 year	<b>7,896</b>	6,788
	<b><u>14,278</u></b>	<b><u>14,578</u></b>

# **11 Share capital and share premium**

	<b>Number of ordinary shares (unaudited)</b>	<b>Nominal value of ordinary shares HK\$ (unaudited)</b>
<b>Authorised, HK\$0.00001 each:</b>		
As at 31 August 2024 and 28 February 2025	<b><u>50,000,000,000</u></b>	<b><u>500,000</u></b>

	<b>Number of ordinary shares</b>	<b>Amount HK\$</b>	<b>Equivalent amount RMB'000</b>	<b>Share premium RMB'000</b>	<b>Total RMB'000</b>
<b>Issued and paid, HK\$0.00001 each:</b>					
Balance at 1 September 2024 and 28 February 2025	<b><u>3,606,787,883</u></b>	<b><u>36,068</u></b>	<b><u>30</u></b>	<b><u>1,762,405</u></b>	<b><u>1,762,435</u></b>
Balance at 1 September 2023 and 29 February 2024	<b><u>3,606,787,883</u></b>	<b><u>36,068</u></b>	<b><u>30</u></b>	<b><u>1,762,405</u></b>	<b><u>1,762,435</u></b>

## 12 Accruals and other payables

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
Net payables to the Affected Business upon deconsolidation	594,030	594,030
Amounts due to related parties	12,793	12,435
Payables for purchases of property, plant and equipment	180,821	247,913
Miscellaneous expenses received from students	120,699	113,453
Salary and welfare payables	45,064	53,767
Government subsidies payable to students and teachers	30,108	42,467
Deposits received	18,948	20,422
Payables for teaching materials and other operating expenditure	12,234	20,979
Audit and consulting fees	3,013	3,212
Interest payables	5,813	7,888
Taxes payable	3,179	26,688
Legal claim payables	17,401	18,290
Defined pension benefits	—	9,674
Others	18,051	22,587
	<b>1,062,154</b>	<b>1,193,805</b>

## 13 Borrowings

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
<b>Non-current</b>		
Bank loans, unsecured	279,980	286,990
<b>Current</b>		
Bank loans, secured	50,000	220,000
Bank loans, unsecured	180,010	878,010
	<b>230,010</b>	<b>1,098,010</b>
<b>Total borrowings</b>	<b>509,990</b>	<b>1,385,000</b>

- (a) Movements in borrowings is analysed as follows:

	Six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	Six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
As at beginning of the period	1,385,000	1,456,900
Proceeds of new borrowings (i)	150,000	400,000
Repayment of borrowings	(1,025,010)	(606,900)
As at end of the period	<u>509,990</u>	<u>1,250,000</u>

- (i) The interest rates are determined by the relevant loan prime rate plus 35 basis points of the respective bank loans. The average interest rate of the bank loans during the period was 3.556% (2024: 3.705%).
- (b) As at 28 February 2025, there were no undrawn bank facility (31 August 2024: RMB12,000,000).
- (c) The carrying amounts of secured bank loans are analysed as below:

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
<b>Bank borrowings</b>		
Guaranteed by a related party	<u>50,000</u>	<u>220,000</u>

#### 14 Financial liabilities at fair value through profit or loss

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
<b>Current</b>		
Convertible Bonds	—	749,328
Warrants to be issued	<u>22,129</u>	<u>—</u>
	<u>22,129</u>	<u>749,328</u>

(a) **Issuance of the Convertible Bonds**

On 27 December 2019, the Company issued convertible bonds with an aggregate principal amount of HK\$2,088,000,000 (approximately RMB1,876,402,000) (the “**Convertible Bonds**”). The issuance cost of approximately RMB18,756,000 was charged as finance expenses. The Convertible Bonds were recognised and measured as financial liabilities at fair value through profit or loss pursuant to the terms of the trust deed (the “**Trust Deed**”) constituting the Convertible Bonds.

The Convertible Bonds bear interest on their outstanding principal amount from and including the issue date at the rate of 0.90 per cent per annum, payable semi-annually in arrears on 27 June and 27 December in each year, commencing on 27 June 2020. Pursuant to the Trust Deed, the Convertible Bonds can be converted into fully paid ordinary shares of the Company with a par value of HK\$0.00001 each, at the option of the holders of the Convertible Bonds (the “**Bondholders**”). Each convertible bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after the date which is 41 days after the Issue Date up to the close of business on the date falling seven days prior to the Maturity Date (the “**Conversion Period**”) into fully paid ordinary shares with a par value of HK\$0.00001 each of the Company at an initial conversion price of HK\$7.1303 per share. The conversion price is subject to adjustment in the circumstances described under certain terms and conditions of the Trust Deed. As at 31 August 2022, the conversion price of the Convertible Bonds was HK\$6.68 per share and no conversion related to the Convertible Bonds was exercised by the Bondholders.

On giving notice in accordance with the respective terms and conditions of the Trust Deed, at any time after 1 March 2023 and prior to the Maturity Date, the Convertible Bonds may be redeemed at the option of the Company.

The Convertible Bonds may be redeemed at the option of the Company or the Bondholders pursuant to the respective terms and conditions under the Trust Deed. The convertible bonds may be redeemed at the option of the Company in whole but not in part for taxation reasons as described in the Trust Deed. According to the terms of the Trust Deed, the Bondholders had rights to require the Company to redeem all or part of the Convertible Bonds at the nominal value together with the accrued interest on 27 December 2022 (the “**Early Redemption Date**”). As at 31 August 2022, the Convertible Bonds was reclassified as current liability due to the relevant redemption option of the Bondholders.



**(b) Repurchase of and amendments to the Convertible Bonds**

On 25 October 2022, the Company repurchased and cancelled a portion of the Convertible Bonds with principal amounts of HK\$614,000,000 from certain Bondholders at a total consideration of HK\$428,100,000 (equivalent to RMB388,784,000), resulted in an other gain of approximately HK\$186,000,000 (equivalent to RMB169,738,000). After such repurchase, the outstanding principal amount of the Convertible Bonds was reduced to HK\$1,474,000,000. On 25 November 2022, all of the remaining Bondholders confirmed to exercise of their early redemption rights under the Convertible Bonds. Although the Group had cash and cash equivalents of HK\$4,344,000,000 on the Early Redemption Date, the cash and cash equivalents available outside of mainland China were not sufficient to redeem all of the Convertible Bonds. The Group was also not able to arrange financing facilities outside mainland China before the Early Redemption Date. As a result, the outstanding principal of HK\$1,474,000,000 and the accrued interest of HK\$6,633,000 were not paid by the Company on the Early Redemption Date (the “**Events of Default**”). The following actions have been taken to mitigate the above conditions:

On 12 January 2023, the Company issued a notice to request the remaining Bondholders to approve an extraordinary resolution in accordance with the Trust Deed (the “**Extraordinary Resolution**”) which sets out certain revised terms and waivers in relation to the Convertible Bonds. The Extraordinary Resolution was approved by the requisite Bondholders on 18 January 2023 with the revised terms and waivers signed under a supplemental trust deed (“**Supplemental Trust Deed**”) effective and became irrevocable on 19 January 2023, details of which are set out below.

- (1) A mandatory redemption by the Company totaling HK\$500,000,000 to all the remaining Bondholders on a pro-rata basis on 30 January 2023. The remaining outstanding aggregate principal amount of HK\$974,000,000 will be fully repayable on 27 December 2024, with interest payable remains at 0.9% per annum payable semi-annually on 27 June and 27 December in each year, provided conversion under (c) below is not triggered.
- (2) The conversion price to the shares of the Company under terms of the Convertible Bonds was amended to HK\$1.65 per share (the “**Amended Conversion Price**”) from the conversion price of HK\$6.68 per share immediately before the amendment.
- (3) A right of mandatory conversion of the Convertible Bonds when the volume-weighted average price of the Company’s shares for at least 20 trading days (whether or not consecutive) out of any 30 consecutive trading days is at least 130% of the Amended Conversion Price, at any time after 1 March 2023 and prior to the maturity date of 27 December 2024.
- (4) Waivers were granted with respect to the consequences of the Events of Default as stipulated in the Trust Deed, including immediate repayment of the principal and interest amounts and payment of default interests.

On 30 January 2023, the Company mandatorily redeemed Convertible Bonds with principal amounts of HK\$500,000,000 at a total consideration of HK\$501,200,000 (equivalent to RMB433,487,000) with the Group’s funding held outside mainland China as mentioned above.

As mentioned above certain terms and conditions of the remaining Convertible Bonds were amended pursuant to a Supplemental Trust Deed signed between the Company and the remaining Bondholders on 19 January 2023, such amendments constitute substantial modifications based on the relevant requirements under IFRS. Accordingly, the original financial liabilities related to the Convertible Bonds before the amendments are distinguished whereas the new financial liabilities under the revised terms and conditions are recognised at fair value, with the difference recognised in the profit or loss, resulted in an other loss of approximately RMB6,781,000. The accumulated changes in the fair value of the original Convertible Bonds attributable to changes in own credit risks included in other comprehensive income is transferred to the retained earnings. As the Convertible Bonds with a remaining outstanding aggregate principal amount of HK\$974,000,000 will be fully repayable on 27 December 2024, it was reclassified as non-current liability as at 31 August 2023 and it was classified as current liability as at 31 August 2024, respectively.

**(c) Settlements of the Convertible Bonds**

On 20 September 2024, the Company repurchased and cancelled a portion of the Convertible Bonds with principal amounts of HK\$60,131,614 from certain bondholders at a total consideration of HK\$32,471,000 (equivalent to RMB29,438,000), resulted in other gain of HK\$18,673,000 (equivalent to RMB16,928,000). After such repurchase, the outstanding principal amount of the Convertible Bonds was reduced to approximately HK\$913,868,386.

On 27 December 2024, the Company and the bondholders representing no less than 75% of the outstanding principal amount of the Convertible Bonds, entered into a standstill agreement (the “**Standstill Agreement**”), in connection with the agreements of certain waivers and amendments to the terms and conditions governing the Convertible Bonds. On the same day, the Company paid the outstanding interest if the Convertible Bonds of HK\$4.2 million (equivalent to RMB3.9 million).

On 10 February 2025, an extraordinary resolution (the “**Extraordinary Resolution**”) among all bondholders was held, and the Extraordinary Resolution was passed by the requisite bondholders. Therefore, such waivers and amendments became effective and binding on all bondholders. The details of aforesaid waivers and amendments are set out as below:

- (1) Waivers were granted with respect to, among others, (i) immediate redemption of the Convertible Bonds as a result of suspension of trading of the shares of the Company for a consecutive period of over 20 consecutive trading days from 2 December 2024; and (ii) default interests as stipulated in the Convertible Bonds agreement dated 19 January 2023 thereon as a result of (i) and the Company did not redeem the Convertible Bonds on the maturity date of 27 December 2024.
- (2) On the fifth business day after the passing of the Extraordinary Resolution, redeem HK\$430,000,000 (equivalent to RMB397,921,000) on a pro rata basis in aggregate principal amount of the Convertible Bonds, at their principal amount.

- (3) The conversion price to the shares of the Company under terms of the Convertible Bonds was reset to HK\$0.733 per share from HK\$1.65 per share. The maturity date of the Convertible Bonds was extended from 27 December 2024 to the tenth business day after resumption of trading of the shares of the Company, and on that day the Company is required to mandatorily convert the remaining principal amounted of approximately HK\$483,868,386 on a pro rata basis into the fixed 660,120,581 shares of the Company at the aforesaid revised conversion price of HK\$0.733 per share.
- (4) The Company shall, (i) as soon as practicable and within ten business days after the Company's next annual general meeting and in any event no later than 31 May 2025, issue 182,000,000 warrants to the bondholders who voted in favor of the Extraordinary Resolution on a pro rata basis, the number of warrants to each bondholder being the portion of the Convertible Bonds held by such bondholder as a percentage of the aggregate outstanding principal amount of the Convertible Bonds that voted in favor of the Extraordinary Resolution, each warrant entitles the holder the right to buy one share of the Company at a fixed price of HK\$0.5 and it can be exercised at any time during the exercise period which is within three years after the date of issuance; or (ii) within two business days after 31 May 2025, pay HK\$70,500,000 in cash to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants, in the event that the Company has not issued the warrants by 31 May 2025 or if the ordinary resolution for the issuance of the warrants failed to pass in the Company's next annual general meeting (whichever earlier), provided that, in the event that the failure of the issuance of the warrants is not within the Li Family's control (as defined in the Extraordinary Resolution), the Company and the bondholders shall negotiate for a solution within a period of one month, and if such negotiation fails, the Company shall pay HK\$70,500,000 in cash to bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants no later than one month after 31 May 2025.

On 31 December 2024 and 2 January 2025, the Company deposited amounts totaling HK\$430,000,000 into an escrow bank account in Hong Kong in accordance with the Standstill Agreement for the purpose of redemption on the fifth business day after the passing of the Extraordinary Resolution as mentioned above in (c)(2).

In accordance with the Extraordinary Resolution, the Company:

- (1) completed the redemption and paid HK\$430,000,000 to the bondholders from the escrow bank account on the fifth business day after the passing of the Extraordinary Resolution;
- (2) issued the required shares as mentioned above in (c)(3) under the general mandate passed as an ordinary resolution in the Company's previous annual general meeting held on 29 January 2024, on 14 March 2025, the tenth business day after the resumption of trading of the shares of the Company; and
- (3) will issue the required warrants as mentioned above in (c)(4) through passing of an ordinary resolution in the forthcoming annual general meeting of the Company, and this ordinary resolution requires a simple majority of more than 50% of votes cast in favor to be approved; or pay HK\$70,500,000 to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants as mentioned above in (c)(4). In accordance with the Standstill Agreement, the relevant holders of the Convertible Bonds have undertaken to collectively hold at least 400,000,000 out of the 660,120,581 shares of the Company as mentioned in (c)(3) above until the earlier of 31 May 2025 or the next annual general meeting of the Company. The Directors of the Company are in reasonable belief that the ordinary resolution to issue the required warrants will be passed.

Based on the above and in accordance with relevant requirements of IFRS, on 10 February 2025, the date when the Extraordinary Resolution was passed, the Convertible Bonds recognised as financial liabilities at fair value through profit or loss were derecognised. The difference between the fair value of the Convertible Bonds and the consideration paid was recognised in the profit or loss. The accumulated amount of changes in the fair value of the Convertible Bonds attributable to the changes in the credit risk presented in other comprehensive income was transferred to retained earnings. Shares to be issued were recognised initially as equity instruments at fair value. The warrants to be issued were recognised initially as financial liabilities at fair value through profit or loss.

Based on the Company's latest share price of HK\$0.37 before its suspension of trading on 29 November 2024, recent price trends of comparable companies and other relevant assumptions on 10 February 2025, the date when the Extraordinary Resolution was passed: (i) fair value of the shares was amounted to approximately HK\$250,408,000 (equivalent to RMB230,510,000); (ii) fair value of the warrants was amounted to approximately HK\$20,745,000 (equivalent to RMB19,097,000); (iii) other loss amounted to approximately HK\$19,635,000 (equivalent to RMB18,075,000) was recognised; and (iv) accumulated amount of changes in the fair value of the Convertible Bonds attributable to the changes in the credit risk presented in other comprehensive income amounted to approximately HK\$383,574,000 (equivalent to RMB353,095,000) was transferred to retained earnings.

## 15 Deferred income tax assets and liabilities

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

### (a) Deferred income tax assets

	<b>Six months ended 28 February 2025 RMB'000 (Unaudited)</b>	<b>Year ended 31 August 2024 RMB'000 (Audited)</b>
<b>As at beginning of the period</b>	<b>16,422</b>	<b>16,867</b>
Charged to profit or loss (Note 7)	(1,476)	(445)
— Continuing operations	(942)	3,164
— Discontinued operations (Note 17)	(534)	(3,609)
Disposal of subsidiaries (Note 17)	(12,724)	—
<b>As at end of the period</b>	<b>2,222</b>	<b>16,422</b>

### (b) Deferred income tax liabilities

	<b>Six months ended 28 February 2025 RMB'000 (Unaudited)</b>	<b>Year ended 31 August 2024 RMB'000 (Audited)</b>
<b>As at beginning of the period</b>	<b>(492,290)</b>	<b>(502,022)</b>
Credited to profit or loss (Note 9)	4,688	9,732
— Continuing operations	4,688	9,732
— Discontinued operations (Note 17)	—	—
Disposal of subsidiaries (Note 17)	44,158	—
<b>As at end of the period</b>	<b>(443,444)</b>	<b>(492,290)</b>

(c) **Deferred tax assets and liabilities after offset are listed as below:**

	<b>Six months ended 28 February 2025 RMB'000 (Unaudited)</b>	<b>Year ended 31 August 2024 RMB'000 (Audited)</b>
<b>As at beginning of the period</b>	<b>(475,868)</b>	<b>(485,155)</b>
Credited to profit or loss (Note 7)	<b>3,212</b>	9,287
— Continuing operations	<b>3,746</b>	12,896
— Discontinued operations (Note 17)	<b>(534)</b>	(3,609)
Disposal of subsidiaries (Note 17)	<b>31,434</b>	—
<b>As at end of the period</b>	<b>(441,222)</b>	<b>(475,868)</b>

**16 Dividends**

The Board did not recommend an interim dividend for the period ended 28 February 2025 (2024: Nil).

**17 Disposal of subsidiaries in the Thailand**

On 27 December 2024, one of the Company's wholly owned subsidiaries, China YuHua Education Investment Limited, a company incorporated in the British Virgin Islands with limited liability (the "Seller"), and Mr. Xin Yu, a third party individual (the "Purchaser"), entered into an acquisition agreement, pursuant to which, the Seller decided to sell and the Purchaser agreed to purchase: (i) 100% of the issued and outstanding ordinary shares of Thai Education Holdings Co., Ltd. ("TEDCO"), which owned approximately 92.8750% of the issued and outstanding share capital of Fareast Stamford International Co., Ltd. ("FES"); and (ii) 7.1249% of the issued and outstanding share capital of FES with a total consideration of HK\$240,000,000. As at 28 February 2025, the Group had received part of the total consideration amount of HK\$194,000,000 (equivalent to RMB178,984,000) in advance, and necessary procedures in related with the transfer of control were in progress.

Based on the above, the directors classified the Group's Thailand operations which were from TEDCO and its subsidiaries as discontinued operations and the results of the discontinued operations were presented separately in the interim condensed consolidated statement of profit or loss for the six months ended 28 February 2025. The comparative information relating to the discontinued operations has been re-presented to conform to the current period's presentation. As at 28 February 2025, the directors classified the assets and liabilities of TEDCO and its subsidiaries under held for sale assets and held for sale liabilities separately in the interim condensed consolidated balance sheet.

The assets and liabilities relating to the discontinued operations as at 28 February 2025 were set out as below:

	<b>As at 28 February 2025 RMB'000</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	98,715
Intangible assets	58,355
Right-of-use assets	111,181
Other non-current assets	3,580
	<hr/>
<b>Total non-current assets</b>	<b>271,831</b>
	<hr/>
<b>Current assets</b>	
Trade and other receivables	7,983
Cash and cash equivalents	102,081
	<hr/>
<b>Total current assets</b>	<b>110,064</b>
	<hr/>
<b>Total assets of the disposal group held for sale</b>	<b>381,895</b>
	<hr/> <hr/>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Lease liabilities	1,130
Deferred income tax liabilities	31,434
	<hr/>
<b>Total non-current liabilities</b>	<b>32,564</b>
	<hr/>
<b>Current liabilities</b>	
Accruals and other payables	199,715
Contract liabilities	39,439
Lease liabilities	876
	<hr/>
<b>Total current liabilities</b>	<b>240,030</b>
	<hr/>
<b>Total liabilities of the disposal group held for sale</b>	<b>272,594</b>
	<hr/>
<b>Net assets of the disposal group held for sale</b>	<b>109,301</b>
	<hr/> <hr/>

The financial performance relating to the discontinued operations for the six months ended 28 February 2025 and 29 February 2024 were set out as below:

	<b>Six months ended 28 February 2025 RMB'000</b>	Six months ended 29 February 2024 RMB'000
<b>Revenue</b>	<b>64,062</b>	61,511
Cost of revenue	<u>(31,495)</u>	<u>(27,304)</u>
<b>Gross profit</b>	<b>32,567</b>	34,207
Selling expenses	(3,662)	(3,469)
Administrative expenses	<u>(12,888)</u>	<u>(9,836)</u>
<b>Operating profit</b>	<b>16,017</b>	20,902
Finance income	<b>1,444</b>	316
Finance expenses	<u>(79)</u>	<u>(1,920)</u>
Finance income — net	<b>1,365</b>	(1,604)
<b>Profit before income tax</b>	<b>17,382</b>	19,298
Income taxation	<u>(534)</u>	<u>(19)</u>
<b>Profit for the period from discontinued operations</b>	<b><u>16,848</u></b>	<b><u>19,279</u></b>
<b>Other comprehensive income</b>		
Currency translation differences	<u>3,172</u>	<u>(3,796)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>3,172</u>	<u>(3,796)</u>
<b>Total comprehensive income for the period from discontinued operations</b>	<b><u>20,020</u></b>	<b><u>15,483</u></b>



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

With over 20 years of operating private schools in the People's Republic of China (the "PRC"), the Group is one of the leading private school operators in China in terms of student enrolment.

The Group's fundamental educational objectives are to foster modern talent with leadership and lifelong learning capabilities and nurture great minds to contribute to the future development of the Chinese nation ("培養具有領導才能和自主學習能力的現代化人才，為中華民族的偉大復興貢獻力量"). As an educational service provider, the Group believes it is entrusted to nurture the future of society, and aims to provide educational services in a manner consistent with the values and attitudes of the Group. The curriculums for the Group's schools not only accommodate the students' eagerness to achieve academic excellence, but also emphasise on well-rounded development of the students.

The Group intends to continue to expand its school network and ensure delivery of high-quality education to its students by making continuous improvements to the educational infrastructure available. As such, there has been no material changes in respect of the business of the Group since 28 February 2025.

### *The Group's Schools and Student Enrolment*

As at 28 February 2025, the Group had 9 schools in China and 1 school in Thailand.

The following table sets out a summary of the Group's schools by category as at the end of February 2025 and 2024:

	As at 28 February 2025	As at 29 February 2024
<b>The Group's schools in the PRC</b>		
Universities and vocational college	4	4
High schools	5	5
<b>The Group's school overseas</b>		
University	1 <sup>(note 1)</sup>	1
<b>Total</b>	<b>10</b>	<b>10</b>

*Note:*

1. This represents Stamford International University, Thailand. As at 28 February 2025, the disposal of TEDCO and its subsidiaries (including Stamford International University) remained in progress. The financial results of these companies for the Reporting Period have been represented as discontinued operations in the Group's interim condensed financial information.

## **Event after the Reporting Period**

Save as disclosed in this announcement, there has been no other significant events that might affect the Group after 28 February 2025 and up to the date of this announcement.

## **Future Development**

The Group's future development focuses on making continuous improvements to the educational infrastructure, opening new campuses, and substantially increasing investment in vocational education. The Group will continue to seek expansion in higher education sector with high growth potential and will focus on post-expansion consolidation to maximize shareholder value.

## **Financial Review**

### ***1. Overview***

For the six months ended 28 February 2025, the Group recorded revenue of RMB1,278.1 million, an Adjusted Gross Profit of RMB617.4 million and a gross profit of RMB597.9 million. The Adjusted Gross Profit Margin<sup>1</sup> of the Group was 48.3% for the six months ended 28 February 2025 as compared with 34.9% for the corresponding period in 2024. The gross profit margin was 46.8% for the six months ended 28 February 2025 as compared with 33.3% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company for the six months ended 28 February 2025 was RMB434.5 million, representing an increase of RMB226.4 million or a 108.7% increase from the corresponding period in 2024. The Adjusted Net Profit Margin<sup>2</sup> attributable to owners of the Company was 34.0% and 17.5% for the six months ended 28 February 2025 and 29 February 2024, respectively.

<sup>1</sup> The Adjusted Gross Profit Margin is calculated based on the Adjusted Gross Profit.

<sup>2</sup> The Adjusted Net Profit Margin attributable to owners of the Company is calculated based on the Adjusted Net Profit attributable to owners of the Company.

The net profit attributable to owners of the Company amounted to RMB405.8 million and RMB193.3 million for the six months ended 28 February 2025 and 29 February 2024, respectively. The net profit margin attributable to owners of the Company amounted to 31.7% and 16.2% for the six months ended 28 February 2025 and 29 February 2024, respectively.

## **2. Revenue**

For the six months ended 28 February 2025, the revenue of the Group amounted to RMB1,278.1 million, representing an increase of RMB86.3 million or 7.2% as compared with RMB1,191.8 million for the corresponding period in 2024. The increase was primarily due to the increase in student enrolment from several schools.

## **3. Cost of Revenue**

For the six months ended 28 February 2025, the Adjusted Cost of Revenue<sup>3</sup> of the Group amounted to RMB660.7 million, representing a decrease of RMB114.8 million or 14.8% as compared with RMB775.5 million for the corresponding period in 2024. The cost of revenue of the Group amounted to RMB680.2 million and RMB794.6 million for the six months ended 28 February 2025 and 29 February 2024, respectively.

## **4. Gross Profit and Gross Profit Margin**

For the six months ended 28 February 2025, the Adjusted Gross Profit of the Group amounted to RMB617.4 million, representing an increase of RMB201.1 million or 48.3% as compared with RMB416.3 million for the corresponding period in 2024. The Adjusted Gross Profit Margin of the Group for the six months ended 28 February 2025 was 48.3%, compared with 34.9% for the corresponding period in 2024.

The Group's gross profit amounted to RMB597.9 million and RMB397.2 million for the six months ended 28 February 2025 and 29 February 2024, respectively. The Group's gross profit margin amounted to 46.8% and 33.3% for the six months ended 28 February 2025 and 29 February 2024, respectively. The improvement in gross profit margin was primarily attributable to revenue growth and a reduction in costs and expenses due to strengthened cost management during the Reporting Period.

<sup>3</sup> The Adjusted Cost of Revenue is calculated as cost of revenue for the period, excluding the non-cash expenses of share-based compensations and additional depreciation and amortisation due to the provisional fair value adjustments to the acquired identifiable assets of (i) LEI Lie Ying Limited; (ii) Yubohui Education and its subsidiaries; and (iii) Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).

## **5. *Selling Expenses***

For the six months ended 28 February 2025, the selling expenses of the Group amounted to RMB16.8 million, representing a decrease of RMB1.8 million or 9.6% from RMB18.6 million during the corresponding period in 2024. The decrease was primarily due to reduced marketing and promotional spending.

## **6. *Administrative Expenses***

The administrative expenses of the Group amounted to RMB158.5 million and RMB152.5 million for the six months ended 28 February 2025 and 29 February 2024, respectively. The increase is primarily due to normal business growth and inflation. The Adjusted Administrative Expenses<sup>4</sup> of the Group for the six months ended 28 February 2025 amounted to RMB153.7 million, representing an increase of RMB5.8 million as compared with RMB147.9 million for the corresponding period in 2024.

## **7. *Other Income***

For the six months ended 28 February 2025, the other income of the Group amounted to RMB7.3 million, representing a decrease of RMB1.4 million or 15.9% as compared with RMB8.6 million for the corresponding period in 2024. This decrease was primarily due to a reduction in government grants and subsidies received.

## **8. *Other Gains and Losses***

For the six months ended 28 February 2025, the other gains and losses of the Group amounted to a net loss of RMB31.5 million as compared with a net loss of RMB47.2 million for the corresponding period in 2024. The net loss was primarily attributable to the losses related to convertible bonds.

## **9. *Operating Profit***

The Operating Profit of the Group amounted to RMB397.3 million for the six months ended 28 February 2025, representing an increase of RMB212.8 million or 115.3% as compared with RMB184.5 million for the corresponding period in 2024, respectively. The Operating Profit Margin amounted to 31.1% and 15.5% for the six months ended 28 February 2025 and 29 February 2024, respectively.

<sup>4</sup> Adjusted Administrative Expenses are calculated as administrative expense for the period, excluding share-based compensation.

## **10. Finance Income**

Finance income decreased by 14.5% from RMB14.0 million for the six months ended 29 February 2024 to RMB11.9 million for the corresponding period in 2025 due to a decline in exchange gains.

## **11. Finance Expenses**

Finance expenses decreased by 16.9% from RMB27.0 million for the six months ended 29 February 2024 to RMB22.5 million for the corresponding period in 2025 due to a decrease in interest expenses.

## **12. Profit for the Period from Discontinued Operations**

As at 28 February 2025, since the disposal of TEDCO and its subsidiaries (including Stamford International University, Thailand) was in progress, the net profit from these companies for the six months ended 28 February 2025 and 29 February 2024, amounting to RMB16.8 million and RMB19.3 million respectively, has been presented separately as profit for the period from discontinued operations.

## **13. Profit for the Reporting Period**

As a result of the above factors, the Group recorded a net profit attributable to owners of the Company of RMB405.8 million for the six months ended 28 February 2025, representing an increase of RMB212.5 million or 110.0% as compared with RMB193.3 million for the corresponding period in 2024. The net profit margin attributable to owners of the Company for the six months ended 28 February 2025 was 31.7%, compared to 16.2% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company was RMB434.5 million for the six months ended 28 February 2025, an increase of RMB226.4 million or 108.7% as compared with RMB208.2 million for the corresponding period in 2024. In addition, the Adjusted Net Profit Margin attributable to owners of the Company amounted to 34.0% and 17.5% for the six months ended 28 February 2025 and 29 February 2024, respectively.

The increase in the Adjusted Net Profit was primarily driven by (i) revenue growth; and (ii) a reduction in costs and expenses resulting from strengthened cost management.

#### **14. *Liquidity and Source of Funding and Borrowing***

As at 28 February 2025, the Group's cash and cash equivalents decreased by 38.1% from RMB2,090.5 million as at 31 August 2024 to RMB1,294.4 million. The decrease was primarily due to repayments of borrowings and the redemption and repurchase of convertible bonds during the period.

As at 28 February 2025, the current assets of the Group amounted to RMB1,905.7 million, including RMB1,294.4 million in cash and restricted cash, RMB229.4 million in trade and other receivables and RMB381.9 million in assets classified as held for sale. The current liabilities of the Group amounted to RMB3,044.2 million, of which RMB1,062.2 million was accruals and other payables, RMB230.0 million was borrowings, RMB1,272.0 million was contract liabilities, RMB179.0 million was deferred income, RMB272.6 million was liabilities directly associated with assets classified as held for sale, RMB22.1 million was financial liabilities at fair value through profit or loss, and RMB6.3 million was lease liabilities. As at 28 February 2025, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 0.63 (31 August 2024: 0.53).

#### **15. *Gearing Ratio***

As at 28 February 2025, the gearing ratio of the Group, which was calculated as total interest-bearing bank loans divided by total equity, was approximately 6.2% (31 August 2024: 18.4%).

#### **16. *Material Investments***

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 28 February 2025) during the six months ended 28 February 2025.

#### **17. *Material Acquisitions and Disposals***

Save for the disposal of the subsidiaries as set out in note 17 to the financial statements in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended 28 February 2025.

#### **18. *Pledge of Assets***

As at 28 February 2025, the bank borrowings of the Group amounting to RMB50.0 million were secured by a related party.

## **19. *Contingent Liabilities***

The Group had no contingent liabilities as at 28 February 2025.

## **20. *Foreign Exchange Exposure***

During the six months ended 28 February 2025, the Group mainly operated in China and the majority of the transactions were settled in Renminbi (“**RMB**”), the Company’s primary consolidated affiliated entities’ functional currency. The Group’s acquisition of a university in Thailand exposes the Group to foreign exchange risk. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary. As at 28 February 2025, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

## **21. *Employee and Remuneration Policy***

As at 28 February 2025 and 29 February 2024, we had 7,806 and 8,125 employees, respectively. The number of employees employed by the Group varies from time to time depending on need. Employees’ remuneration is determined in accordance with prevailing industry practice and employees’ educational backgrounds, experiences and performance. The remuneration policy and package of the Group’s employees are periodically reviewed. As required by the PRC laws and regulations, the Company participates in various employee social security plans for its employees that are administered by local governments, including among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance.

The Group believes in the importance of attracting, recruiting and retaining of quality employees (in particular teachers) in achieving the Group’s success. The Group provides training for teachers to equip them with teaching skills and techniques and stay abreast of the changes in student demands and teaching methodologies, changing testing and admission standards and other trends. During each school year, the Group monitors the teaching quality of its teachers and evaluates the performance of its teachers from time to time. During the six months ended 28 February 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

Compensation of key executives of the Group is determined by the Company’s remuneration committee which reviews and recommends to the Board the executives’ compensation based on the Group’s performance and the executives’ respective contributions to the Group.



The Company also has a Pre-IPO Share Option Scheme and a Share Award Scheme. Please refer to the section headed “Statutory and General Information — Pre-IPO Share Option Scheme and Share Award Scheme” in Appendix V to the prospectus of the Company dated 16 February 2017 (the “**Prospectus**”) for further details.

The total remuneration cost incurred by the Group for the six months ended 28 February 2025 was RMB319.3 million (for the six months ended 29 February 2024: RMB357.6 million).

## **22. *Future Plans for Material Investments and Capital Assets***

As of 28 February 2025, the Group did not have other plans for material investments and capital assets.



## INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 28 February 2025 (2024: Nil).

## CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on 25 April 2016 with limited liability, and the shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 February 2017.

The Board is committed to achieving high corporate governance standards. The principle of the Company’s corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders.

### 1. Compliance with the Code on Corporate Governance Practices

For the six months ended 28 February 2025, the Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

### 2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended 28 February 2025. No incident of non-compliance of the Model Code was noted by the Company during the six months ended 28 February 2025.

### **3. Audit Committee**

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Chen Lei, Mr. Zhang Zhixue and Ms. Fan Nannan. Mr. Chen Lei is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim condensed financial information of the Group for the six months ended 28 February 2025 and has met with the independent auditors, PricewaterhouseCoopers, who have reviewed the interim condensed financial information in accordance with International Standard on Review Engagements 2410. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Group.

### **4. Other Board Committees**

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

### **5. Purchase, Sale or Redemption of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules)) during the six months ended 28 February 2025. The Company did not hold any treasury shares (as defined under the Listing Rules) as at 28 February 2025.

### **6. Material Litigation**

The Company was not involved in any material litigation or arbitration during the six months ended 28 February 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended 28 February 2025.

## 7. Building Certificates and Permits

As at 28 February 2025, in relation to owned buildings or groups of buildings other than those associated with the HIEU Schools (the “**Non-HIEU Schools Owned Buildings**”), the Group had not obtained proper building ownership certificates or other requisite certificates or permits for 11 of the 32 Non-HIEU Schools Owned Buildings, due in part to changes to the urban planning in the cities which the Group operates, administrative oversight by the Group’s management and their unfamiliarity with the relevant regulatory requirements. The Group is in the process of applying to relevant government authorities for the relevant outstanding certificates and permits and are closely following up with the government authorities with respect to the applications. Please also refer to the section headed “Business — Properties — Owned Properties — Buildings or Groups of Buildings” in the Prospectus for further details. There have been no updates in this regard since the publication of the Prospectus.

As at 28 February 2025, the Company was in the process of applying for, but had not yet obtained, the proper certificates in relation to 48 buildings currently occupied by the HIEU Schools. The Company understands that the lack of certificates in relation to these buildings will not prejudice the ability of the Company to operate the HIEU Schools and that the buildings are fit and safe for education purposes. For further details, please refer to the Company’s circular dated 29 June 2018.

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

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.yuhuaeducation.com](http://www.yuhuaeducation.com). The interim report of the Group for the six months ended 28 February 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched (if applicable) to the Company’s shareholders in due course.

By order of the Board  
**China YuHua Education Corporation Limited**  
**Li Guangyu**  
*Chairman and Executive Director*

Hong Kong, 30 April 2025

*As at the date of this announcement, the Board comprises Mr. Li Guangyu, Ms. Li Hua and Ms. Qiu Hongjun as executive Directors; and Mr. Chen Lei, Mr. Zhang Zhixue and Ms. Fan Nannan as independent non-executive Directors..*