

# China General Education Group Limited 中国通才教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2175



2025  
Interim Report

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Zhang Zhiwei *(Chairman)*  
Mr. Niu Xiaojun  
Ms. Zhang Zhonghua

### Independent Non-executive Directors

Mr. Zan Zhihong  
Mr. Hu Yuting  
Mr. Wong Chi Wah  
Mr. Hu Binhong *(appointed on 16 November 2024)*

## AUDIT COMMITTEE

Mr. Wong Chi Wah *(Chairman)*  
Mr. Zan Zhihong  
Mr. Hu Yuting

## REMUNERATION COMMITTEE

Mr. Hu Yuting *(Chairman)*  
Mr. Wong Chi Wah  
Mr. Hu Binhong *(appointed on 28 November 2024)*

## NOMINATION COMMITTEE

Mr. Zhang Zhiwei *(Chairman)*  
Mr. Zan Zhihong  
Mr. Hu Yuting

## COMPANY SECRETARY

Mr. Zhang Senquan

## HONG KONG LEGAL ADVISOR

Commerce & Finance Law Offices in Association with  
Eric Chow & Co.

## AUTHORISED REPRESENTATIVES

Mr. Niu Xiaojun  
Mr. Zhang Senquan

## PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited  
Stock Code: 2175

## HEAD OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA

No. 99 Wucheng South Road  
Xiaodian District  
Taiyuan City  
Shanxi Province  
the PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 02, 8/F.,  
Tung Che Commercial Centre,  
246 Des Voeux Road West,  
Hong Kong

## REGISTERED OFFICE

The offices of Vistra (Cayman) Limited  
P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

## COMPANY'S WEBSITE

<http://chinageg.cn>

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited  
P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

## PRINCIPAL BANKER

Shanghai Pudong Development Bank  
Taiyuan City, High-tech Industrial  
Development Zone Branch

# Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of China General Education Group Limited (the “Company”) is pleased to report the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 28 February 2025 (the “Period”).

## BUSINESS REVIEW

### Business Overview

The Group is a leading provider of private higher education in Shanxi Province, China, and the Group operates a college in Taiyuan City, Shanxi Province, the PRC (the “College”). According to the research by Frost & Sullivan, the Group ranked second among all private higher education institutions in Shanxi Province in terms of student enrolment in private undergraduate colleges in the 2023/2024 school year, with a market share of 15.7%. In 2011, the College was approved and upgraded by the Ministry of Education of the PRC to become the first private undergraduate college in Shanxi Province. The Group’s solid reputation and extensive expertise in the private higher education sector have allowed the College to continue to grow since then. The total number of students enrolled at the College has grown from approximately 8,000 students in the 2011/2012 school year to 19,313 students in the 2024/2025 school year. All students enrolled in the College were full-time students and most of the students enrolled were boarding students, except for very few students who were approved by it to live off campus for personal reasons. As at 28 February 2025, the Group employed 753 full-time teachers and 511 part-time teachers.

During the reporting Period, the total number of undergraduate majors and concentrations in the College reached 50, and three new undergraduate majors in art education, film production, and sports economics and management were added. As at 28 February 2025, the College has been operating two campuses, namely, Longcheng campus and Beige campus, with a total area of approximately 621,147 sq. m. and building space of approximately 410,263 sq. m.

As a higher education service provider, the Group is dedicated (i) to build the College into a modern institution of higher education with superior quality, and (ii) to equip the students with readily applicable skills that meet the ever-changing demands of the job market.

The Group focuses on providing application-oriented education to equip its students with practical skills relevant to careers. The Group continues to optimise its course offerings and practical training programmes to provide its students with readily applicable skills. The Group offers mandatory and elective courses in entrepreneurship and innovation-related subjects, and provide a variety of opportunities for students to hone their business skills. The Group reinforces its application-oriented course offerings with meaningful collaborations with companies in the private sector, ranging from joint development, delivery of entire courses, constructing work-environment-like training bases on its campuses, inviting industry experts and guest lecturers, and assisting in arranging internships and practical training opportunities for its students. The Group believes its emphasis on developing advanced, career-focused skill sets makes its students more appealing to potential employers. The implementation rate of graduation destinations for graduates of the College for 2023/2024 school year reached approximately 96.54%.

# Management Discussion and Analysis

## Enrolment

In the 2024/2025 school year, the overall number of full-time enrolled students of the College reached 19,313, representing a decrease of 0.8% as compared to that of the 2023/2024 school year. In the 2024/2025 school year, the College newly enrolled 5,256 students, representing a decrease of 6.8% over the 2023/2024 school year.

The following table sets forth information relating to the total student enrolment, newly-enrolled students and admission quota of the College for the school years indicated:

	School Year		Change	Percentage change
	2024/2025	2023/2024		
Total student enrolment <sup>(1)(2)</sup>	19,313	19,463	-150	-0.8%
Newly-enrolled students <sup>(1)(2)</sup>	5,256	5,639	-383	-6.8%
Admission quota	5,541	5,852	-311	-5.3%

Notes:

- (1) The student enrolment and newly-enrolled students information for the school years indicated was based on the internal records of the College. Total student enrolment includes newly-enrolled students and returning students.
- (2) Although the Group's school year typically starts at the beginning of September, the administrative work that facilitates the registration of students' academic documents, the collection of tuition and boarding fees and other admission-related activities are generally completed by the end of September. Accordingly, the Group uses 30 September as a benchmark point in time to determine and present its enrolment figures and certain other business operating information, and the student enrolment figures listed here for the 2024/2025 school year are the number of students as at 30 September of such school year.
- (3) The number of new students the College may admit for each school year is generally limited by an admission quota specified by the relevant education authorities, and subject to subsequent adjustment by such authorities after admitting prospective students based on students' listed preferences and the scores they obtained. The original admission quota and any subsequent adjustments made by the relevant education authorities are beyond the College's control.

## Tuition Fees Standards

The following table sets forth the average tuition fee for the College for the periods indicated:

	For the six months ended		Change	Percentage change
	28 February 2025 RMB	29 February 2024 RMB		
Average Tuition Fee	15,585.3	15,547.3	38	0.2

## Management Discussion and Analysis

The following table sets forth the number of the Group's students who participated in the undergraduate programmes offered by the College for the 2024/2025 school year and the 2023/2024 school year:

	School Year	
	2024/2025	2023/2024
Undergraduate programmes <sup>2</sup>	19,313	19,463

Notes:

- (1) The number of students enrolled for the school years 2024/2025 and 2023/2024 listed here have the same meaning as the above table.
- (2) The number of students includes the number of (i) students who were admitted to four-year undergraduate programmes by taking the National Higher Education Entrance Examination, (ii) students who were admitted after graduating from junior colleges and continue their study at the College as third-year undergraduate students, and (iii) students who were admitted after graduating from secondary vocational schools.
- (3) The undergraduate enrolment plan in the 2024/2025 school year was 5,541 students, representing a decrease of 311 students as compared to the 2023/2024 school year, and the actual number of students enrolled is 5,256.

### FUTURE OUTLOOK AND BUSINESS STRATEGIES

In terms of total full-time student enrolment, according to the Frost & Sullivan research, the Group ranks the second among all private higher education institutions in Shanxi Province with a market share of 15.7% for the 2023/2024 school year, which puts the Group in a favourable position.

Shanxi Province is one of the economically underdeveloped provinces in China where higher education resources in the province are relatively scarce. It is however growing at a rapid rate. The private higher education industry in Shanxi Province is also growing rapidly. In 2021, one independent college in Shanxi Province was transformed to become a public higher education institution according to the "Report of Department of Education of Shanxi Province on the Transfer of Independent Colleges" (《山西省教育廳關於全省獨立學院轉設的報告》) and "Jiaofahan (2021) No. 10" document. After an adjustment period to this transformation of independent colleges, the total revenue of private higher education providers in Shanxi Province is expected to maintain steady growth. The Group believes that it can benefit from the increasing demand for private higher education.

The Group intends to continue to expand its business and school network. To achieve such goals, the Group plans to pursue the following business strategies: (i) increase the College's capacity and student number and improve the teaching and living environment by building new facilities; (ii) expand the Group's operations through acquisition; (iii) further improve and diversify the College's curriculum offerings and course design and continue to provide practical training to the Group's students; (iv) expand the scope of the Group's educational service offerings to capture additional growth opportunities; and (v) continue to build and improve the College's highly qualified teaching team.

## Management Discussion and Analysis

With a view to creating synergies with the College in China and complying with the Qualification Requirement as further described in the section headed “Contractual Arrangements” in the prospectus of the Company dated 30 June 2021 (the “Prospectus”), the Group also plans to expand its network abroad by establishing a degree-granting higher education institution in the State of California in the United States (the “US School”) offering bachelor of science in business administration programme and bachelor of science in marketing programme. The Group engaged an agent, who is principally engaged in education consultancy and California Bureau for Private Postsecondary Education (the “BPPE”) licensing services, to assist the Group in establishing General Business University of California Incorporated, the operating entity for the US School, and filing applications with the BPPE regarding the establishment of the US School in June 2021.

On 30 January 2024, the Company was notified by the California (Bureau) for Private Postsecondary Education that, in accordance with the California Private Postsecondary Education Act, the California Education Code (CEC) and California Code of Regulations, Title 5 (5CCR), the Company’s application to operate a degree-awarding higher education institution in California, USA, was rejected. The Company is actively looking for new agents to solve this problem. The Company believes that these problems will not have a significant impact on its operations.

### LATEST REGULATORY DEVELOPMENTS

Pursuant to the Decision on Amending the Law for Promoting Private Education of the PRC (《關於修改〈中華人民共和國民辦教育促進法〉的決定》) (the “2016 Decision”), which became effective on 1 September 2017, private schools will no longer be 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 the schools providing compulsory education must be non-profit. The school sponsors of for-profit private schools are allowed to receive income from the operation of the school and the balance of running such schools. By contrast, the school sponsors of non-profit private schools are prohibited from receiving income from the operation of the school and the balance of running such schools shall be only used for the operation of the schools. In addition, for-profit private schools are entitled to have discretion in determining the fees collected from the students in accordance with the market conditions while the fee collection of non-profit private schools shall be subject to provincial government regulation. For details of the 2016 Decision, including the key differences between a for-profit private school and a non-profit private school under the 2016 Decision, please see “Regulatory Overview – Regulations on Private Education in the PRC – The Law for Promoting Private Education and the Implementation Rules for the Law for Promoting Private Education” of the Prospectus.

On 11 July 2018, the General Office of the People’s Government of Shanxi Province promulgated Several Opinions of the General Office of People’s Government of Shanxi Province on Supporting and Regulating the Development of Education by Social Forces and Promoting the Healthy and Orderly Development of Private Education (《山西省人民政府辦公廳關於支援和規範社會力量興辦教育促進民辦教育健康有序發展的若干意見》), according to which, school sponsors can freely elect to establish for-profit schools or non-profit schools with the exception that private schools providing compulsory education must be non-profit. Sponsors of non-profit private schools do not obtain school operating income, and operating balances are all used for running schools; for-profit private schools sponsors can obtain school operating income, and distribution of the school balances are based on relevant state regulations. Private schools which provided education services other than compulsory education and were approved for establishment before 7 November 2016 can freely elect to establish for-profit schools or non-profit schools.

## Management Discussion and Analysis

On 30 December 2019, the Department of Education of Shanxi Province, the Department of Human Resources and Social Security of Shanxi Province, the Department of Civil Affairs of Shanxi Province, the Office of the Organisation Committee of Shanxi Province and the Administration for Market Regulation of Shanxi Province jointly issued the Implementation Measures of Classified Registration of Private Schools in Shanxi Province (《山西省民辦學校分類登記實施辦法》) (the “Shanxi Measures”), which includes the requirements and procedures of approval for establishment, classified registration, change of registered events, termination and cancelation of registration, classified registration of existing private schools. For an existing private school, if it chooses to register as a non-profit private school, it shall amend its articles of association in accordance with the relevant laws, continue its school operation, and complete the new registration formalities; if it chooses to register as for-profit private school, it shall make financial settlement, clarify the ownership of the schools’ land, buildings and accumulations and pay the relevant taxes and fees, the capital contribution of the sponsor before the liquidation shall be the paid-in capital, the asset appreciation, school accumulation, creditor or debtor’s rights and obligations shall be borne by the private school after the re-registration unless otherwise specified, the private school shall also apply for registering as a for-profit private school and obtain the permit for operating a private school, and then register with the local branch of the State Administration for Market Regulation.

On 30 December 2019, the Department of Education of Shanxi Province, the Department of Human Resources and Social Security of Shanxi Province and the Administration for Market Regulation of Shanxi Province jointly issued the Implementation Measures on the Supervision and Administration of For-Profit Private Schools of Shanxi Province (《山西省營利性民辦學校監督管理實施辦法》), which resembles the rules at the national level to a large extent.

According to the Notice on Further Standardising the Collection of Education Fees of Non-Profit Private Schools (《關於進一步規範非營利性民辦學校學歷教育收費的通知》), which was jointly promulgated by the Development and Reform Commission of Shanxi Province, the Department of Human Resources and Social Security of Shanxi Province and the Administration for Market Regulation of Shanxi Province on 29 October 2019, the education fees collected by non-profit private schools include tuition fees and boarding fees, and non-profit private schools can refer to the relevant regulations of public schools at the same level to provide students with optional service charge items and substitute charge items on the premise of students’ willingness. For tuition fees and boarding fees, if they are included in the Shanxi Provincial Price Catalog, the fees are decided by the government, if not, the non-profit private schools can decide independently. Pursuant to the Implementation Measures on the Supervision and Administration of For-Profit Private Schools of Shanxi Province, the items and standards charged by for-profit private schools are determined independently by the school based on factors such as school cost and market demand and shall disclose to the public.

In the event that the College successfully registers as a for-profit private school, the potential impact of the 2016 Decision includes the following:

- the rights and interests of the sponsors of the College will be protected in more definitive and favourable ways: the 2016 Decision provides that the school sponsors of for-profit private schools can obtain the schools’ operating profits, and the remaining assets upon liquidation after the settlement of the school’s indebtedness in accordance with the PRC Company Law and other relevant laws and administrative regulations, and the standards and types of the fees should be publicised to the public and subject to supervision by relevant competent authorities;



## Management Discussion and Analysis

- the College shall have the discretion to determine the amount of fees to be charged in accordance with the 2016 Decision. If the College is registered as a for-profit private school, the College would be entitled to make its own decisions about the standards and types of the fees to be charged by the College based on the College's operating costs and market demand;
- the College may enjoy support from certain PRC government policies: the 2016 Decision stipulates that the governments at or above the county level in the PRC can provide various policy support to for-profit schools, such as preferential tax policies and student loans;
- there may be increased uncertainty about the extent of the benefits to be provided by the government supporting measures: according to the 2016 Decision, while land will be supplied to non-profit private schools by the government through allocation or other means, for-profit private schools are not expected to enjoy the same treatment as public schools and non-profit private schools; and
- the College will be subject to the requirements of applying for re-registration: the 2016 Decision also requires that private schools choosing to register as for-profit schools shall carry out financial settlement procedures, clarify property ownership, pay the relevant taxes and fees, and re-apply for registration.

According to the Group's consultation with the Department of Education of Shanxi Province which is the competent authority to confirm such matters as advised by the PRC legal advisers, (i) before the Group elects for the College to be a for-profit private school, the current articles of association of the College will continue to be legal, effective and enforceable, and the College can operate in accordance with it; and (ii) non-profit schools are expected to enjoy more favourable policies. As advised by the PRC legal advisers, despite the aforesaid implementing rules relating to 2016 Decision, there remain uncertainties in the interpretation and implementation of the 2016 Decision with respect to various aspects of the operations of a for-profit school and whether such implementation regulations would have any material adverse impact on the Group's business. In particular, (i) specific procedures regarding the conversion of an existing private school into a for-profit school have not yet been promulgated by local authorities in Shanxi Province; and (ii) specific conditions or requirements in respect of any preferential tax treatment and the treatment of the land use rights which for-profit schools may enjoy have not been promulgated by relevant authorities. In addition, there are uncertainties regarding the interpretation and enforcement of the 2016 Decision and relevant regulations by government authorities.

The Directors of the Company understand that the specific provisions have not yet been promulgated and there currently is no timeline for implementation. However, taking into account that (i) the College was legally established in 2004 and is validly existing under the current PRC laws; and (ii) according to the Frost & Sullivan research, the Group was the second largest private higher education institution in terms of full-time student enrolment in Shanxi Province with a market share of 15.7% in the 2023/2024 school year, the Directors consider that the College's situation will be a factor to be taken into account when the local government formalises such specific provisions and it would be unlikely that they would impose any special provisions which the College would not be able to achieve.

## FINANCIAL REVIEW

### Revenue

Revenue represents the value of services provided during the Period. The Group derives revenue from tuition fees and boarding fees that the College collected from students.

For the Period, the Group's revenue amounted to approximately RMB183.1 million (six months ended 29 February 2024: RMB184.1 million), representing a decrease of approximately RMB1.0 million or 0.5%. Such decrease was primarily due to the revenue from tuition fees for the Period amounted to RMB167.1 million (six months ended 29 February 2024: RMB168.1 million), representing a decrease of approximately RMB1.0 million or 0.6%, the decrease of tuition fees was because less students were being admitted for the school year.

### Cost of Sales

The Group's cost of sales primarily consists of salary costs (including basic salaries, social security contributions, bonuses and benefits for the Group's faculty and staff), depreciation and amortisation, utilities expenses, maintenance costs, teaching expenses (including educational supplies, training expenses, research and development costs), student activity costs, office allowances, and others (including traveling and accommodation expenses for teaching staff).

The Group's cost of sales for the Period amounted to approximately RMB106.9 million (six months ended 29 February 2024: RMB105.1 million), representing an increase of approximately RMB1.8 million or approximately 1.8%. The increase in cost of sales was primarily due to (i) the steady improvement in remuneration and benefit package for the teaching staff; (ii) the increase in teaching expenses to provide better teaching services to the students; (iii) the increase in maintenance expenses; (iv) the decrease in office expenses and water, electricity, and gas expenses; (v) the decrease in depreciation expenses of assets.

### Gross Profit and Gross Profit Margin

The Group's gross profit represents its revenue less cost of sales. The Group's gross profit margin represents the Group's gross profit as a percentage of its revenue.

The Group's gross profit for the Period amounted to approximately RMB76.1 million (six months ended 29 February 2024: RMB78.9 million), representing a decrease of approximately RMB2.8 million or approximately 3.6%. For the Period, the Group's gross profit margin was 41.6%, representing a decrease of approximately 1.3 percentage points as compared with that of the previous Period. Such decrease was primarily due to the fact that the decrease in revenue and the increase in cost of sales during the Period.

### Other Income and Gains

The Group's other income and gains mainly consist of bank interest income, interest income from financial products, examination and training income and others.

The Group's other income and gains during the Period amounted to approximately RMB5.7 million (six months ended 29 February 2024: RMB13.2 million), representing a decrease of approximately RMB7.5 million or approximately 56.6%. The decrease was mainly due to (i) the decrease in bank interest income; (ii) the decrease in examination services and training income; (iii) decrease in differences due to exchange rate fluctuations as compared to the previous year.

### Selling and Distribution Expenses

The Group's selling expenses primarily consist of expenses incurred for relevant publicity of the College, including the cost of promotional brochures and advertising fees, etc.

There were no significant changes in selling expenses and distribution during the Period.

# Management Discussion and Analysis

## Administrative Expenses

The Group's administrative expenses consist of salary expenses for administrative staff, logistic expenses (including the property management fees charged by independent third parties for providing property management, cleaning, greenery maintenance and garbage disposal services), depreciation of land for administrative purposes and amortisation of equipment and software for school administration and management use, office expenses (including travel and transportation expenses incurred by the Group's administrative staff for business trips), maintenance costs, tax and utilities expenses.

Administrative expenses for the Period amounted to approximately RMB29.7 million (six months ended 29 February 2024: RMB24.1 million), representing an increase of approximately RMB5.6 million, which was primarily due to (i) the increase in maintenance expenses; and (ii) the increase in office expenses in order to provide better management services.

## Other Expenses

The Group's other expenses primarily consist of the Group's bad debt losses, impairment losses, and others.

There were no significant changes in other expenses during the Period.

## Financing Costs

The Group's financing costs primarily consist of interest expenses on bank loans.

There were no significant changes in financing costs during the Period.

## Income Tax Expense

No income tax expense for the Group's operations was incurred during the Period.

## Profit for the Period

As a result of the combined effects of the above income, costs and expenses for the Period, the Group recorded a profit of approximately RMB51.8 million (six months ended 29 February 2024: RMB67.6 million), representing a decrease of approximately RMB15.8 million or 23.5%.

## Current Assets and Current Liabilities

As at 28 February 2025, the Group's net current assets were approximately RMB426.4 million (31 August 2024: RMB555.5 million), representing a decrease of approximately RMB129.1 million, which was primarily due to (i) as at 28 February 2025, the Group's cash and cash equivalents amounted to approximately RMB595.7 million (31 August 2024: RMB695.9 million), representing a decrease of RMB100.2 million; and (ii) as at 28 February 2025, the Group's financial assets at fair value through profit or loss were RMB0 million (31 August 2024: RMB70.1 million), representing a decrease of approximately RMB70.1 million, mainly due to no renewal on redemption of wealth management products on expiry; and (iii) as at 28 February 2025, the Group's prepayments, other receivables and other assets were approximately RMB26.7 million (31 August 2024: RMB11.5 million), representing an increase of RMB15.2 million; (iv) as at 28 February 2025, the Group's bank borrowings were RMB0 million (31 August 2024: RMB1.6 million), representing a decrease of RMB1.6 million; and (v) as at 28 February 2025, the Group's other payables and accrued expenses were approximately RMB44.6 million (31 August 2024: RMB63.7 million), representing a decrease of RMB19.1 million; and (vi) as at 28 February 2025, the Group's deferred income was approximately RMB1.7 million (31 August 2024: RMB6.8 million), representing a decrease of RMB5.1 million.

# Management Discussion and Analysis

## Liquidity, Capital Resources and Gearing Ratio

During the Period, the Group funded its capital expenditures and working capital requirements primarily through cash from redemption of financial assets at fair value through profit or loss upon maturity and tuition fees and boarding fees received in advance from students in its school operations. In the future, the Group believes that its liquidity requirements will be satisfied using a combination of cash flows generated from its operating activities, net proceeds from the issuance of new shares of the Company, bank borrowings and other funds raised from the capital markets from time to time, if necessary.

As at 28 February 2025, the balance of the Group's bank borrowings was RMB0 million (31 August 2024: RMB18.5 million). As at 28 February 2025, the Group's gearing ratio, representing bank borrowings as a percentage of total equity, was 0% (31 August 2024: 1.0%).

## Cash and Cash Equivalents

As at 28 February 2025, cash and cash equivalents amounted to approximately RMB595.7 million, in which the balance denominated in RMB, HKD and USD amounted to approximately RMB547.4 million, RMB0.1 million and RMB48.2 million, respectively (31 August 2024: RMB695.9 million, in which the cash and cash equivalents denominated in RMB, HKD and USD amounted to approximately RMB645.8 million, RMB2.7 million and RMB47.4 million, respectively).

## Bank Borrowings

During the Period, the Group have fully repaid the bank borrowings up to 31 August 2024 amounting to RMB18.5 million.

## Foreign Exchange Risk Management

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

For the Group's operation outside the PRC, the major revenue and expenses are denominated in local currencies.

# Management Discussion and Analysis

## Contingent Liabilities

As at 28 February 2025, the Group did not have material contingent liabilities.

## Pledge of Assets

As at 28 February 2025, the Group did not pledge any assets.

## Material Acquisitions and Disposals

The Group had no material acquisitions or disposals of subsidiaries, associates and/or joint ventures during the Period.

## Significant Investments

During the Period, the Group did not hold any significant investments.

## Future Plans for Material Investments or Capital Assets

With a view of reinforcing its leading position in Shanxi Province, the PRC and enhancing its reputation, the Group has planned a number of expansion projects with the use of proceeds from the Company's initial public offering. Further details of such expansion projects are set out under the section headed "Use of Net Proceeds from the Listing" in this report and "Future Plans and Use of Proceeds" in the Prospectus, respectively.

Other than those disclosed in this report, there was no plan authorised by the Board for material investments or additions of capital assets at the date of this report.

# Corporate Governance and Other Information

## INTERIM DIVIDEND

The Directors do not recommend the payment of a dividend for the six months ended 28 February 2025 (six months ended 29 February 2024: nil).

## USE OF NET PROCEEDS FROM THE LISTING

The ordinary shares, each with a nominal value of US\$0.00001, of the Company (the “Shares”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 July 2021 (the “Listing”). The Company received net proceeds from the Listing of approximately RMB385.1 million. Such net proceeds were applied in accordance with the proposed applications as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus during the period from the Listing to 31 August 2024.

Reference is made to the announcement entitled “Announcement of Annual Results for year ended 31 August 2024 and Proposed Amendments to the Memorandum and Articles of Association and Change in Use of Proceeds and Change in Composition of Board Committee” as published by the Company on 28 November 2024. As at 31 August 2024, the unutilised proceeds from the Listing amounted to approximately RMB38.6 million (the “Unutilised Net Proceeds”), which comprised (i) approximately RMB14.4 million which was originally designated for the purpose of construction of a teaching building for Phase IV of Beige campus (the “Construction Project”); and (ii) approximately RMB24.2 million was designated for the purpose of renovation and upgrade of teaching buildings and dormitories on Longcheng campus (the “Renovation Project”). As at 31 August 2024, both the Construction Project and the Renovation Project had been completed, and the actual cost for both projects was lower than the expected cost.

The Group purchased another piece of land around the Beige campus to expand its campus area to meet the needs of running schools. The Group has commenced construction works for the new Beige Campus, which includes teaching buildings and dormitory facilities. After careful consideration and evaluation of the Group’s operation, the Directors have resolved to change the use of the Unutilised Net Proceeds for the construction projects of the new Beige campus to meet the needs for the continuous optimisation of various school performance indicators, with an expected timeline for full utilisation to be August 2025.

The Board is of the view that the aforementioned change in use of proceeds from the Listing will enable the Group to utilise the Unutilised Net Proceeds for the operation and expansion of the Group’s business, which will facilitate the Group to deploy its financial resources in a more flexible and efficient manner, which is in line with the business strategies of the Group and is in the best interest of the Company and its shareholders as a whole.

## Corporate Governance and Other Information

Save as disclosed above, there has been no change in the intended use of net proceeds as previously disclosed in the Prospectus. A summary of the use of net proceeds until 28 February 2025 is set out below:

Purpose	Original net	Utilised	Unutilised	Revised net	Utilised	Unutilised	Expected timeline for intended use of unutilised amount at 28 Feb 2025
	proceeds allocated	amount up to 31 Aug 2024	amount at 1 Sep 2024	proceeds allocated	amount during the Period	amount at 28 Feb 2025	
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	
Construction of Phase IV of Beige campus							
- a teaching building	39.3	24.9	14.4	-	-	-	N/A
- a library	134.0	134.0	-	-	-	-	N/A
Acquisition of or investment in private education institutions or acquisition of a parcel of land	96.3	96.3	-	-	-	-	N/A
Renovation and upgrade of teaching buildings and dormitories on Longcheng campus	43.9	19.7	24.2	-	-	-	N/A
Purchases of teaching equipment and furniture	33.1	33.1	-	-	-	-	N/A
Working capital for general purposes	38.5	38.5	-	-	-	-	N/A
Construction of teaching buildings and dormitories on new Beige campus	-	-	-	38.6	19.6	19.0	August 2025
<b>Total</b>	<b>385.1</b>	<b>346.5</b>	<b>38.6</b>	<b>38.6</b>	<b>19.6</b>	<b>19.0</b>	

## EMPLOYEE AND REMUNERATION POLICY

As at 28 February 2025, the Group had 1,690 employees (at 29 February 2024: 1,720). The remuneration policy and package of the Group's employees, including bonuses, a share option scheme and a restricted share unit scheme, are periodically reviewed in accordance with industry practice and result performance of the Group. The Group provides external and internal training programmes 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 staff cost, including Directors' remuneration, incurred by the Group for the six months ended 28 February 2025 was approximately RMB66.6 million (six months ended 29 February 2024: RMB63.9 million), representing an increase of approximately RMB2.7 million or approximately 4.2%, which was mainly due to increases in the improvement in remuneration and benefit package for teaching and administrative staff during the Period.

# Corporate Governance and Other Information

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

## SHARE SCHEMES

### Restricted Share Unit Scheme

The Board adopted the restricted share unit scheme of the Company ("RSU Scheme") on 13 January 2022 (i) to recognise the contributions by certain participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

For further details of the RSU Scheme, please refer to the announcement of the Company dated 27 January 2022.

The Company entered into a trust deed on 8 February 2022 to appoint Futu Trustee Limited as the trustee for the administration of the RSU Scheme pursuant to the rules of the RSU Scheme. As at 1 September 2024 and 28 February 2025, the trustee of the RSU Scheme held a total of 37,481,000 Shares which were purchased on the Stock Exchange at an aggregate consideration of approximately RMB123.1 million pursuant to the terms of the trust deed of the RSU Scheme. No Shares under the RSU Scheme have been granted or agreed to be granted since its adoption.

### Share Option Scheme

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a resolution passed on 23 June 2021 and will expire no later than 10 years from 23 June 2021. Details of the Share Option Scheme are set out under the section headed "Share Option Scheme" in the 2024 annual report and the Prospectus, respectively. The Group has not granted any share options under the Share Option Scheme since its adoption.

The total number of Shares available for grant under the Share Option Scheme was 50,000,000 Shares at 1 September 2024 and 28 February 2025. There is no service provider sublimit under the Share Option Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 28 February 2025 divided by weighted average number of Shares in issue for the six months ended 28 February 2025 is nil.

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

As at 28 February 2025, none of the Directors and the chief executive of the Company and their associates had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").



# Corporate Governance and Other Information

## SUBSTANTIAL SHAREHOLDERS

As at 28 February 2025, the register maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests disclosed above in respect of certain Directors and chief executive, the following entities had notified the Company of relevant interests in the Shares and underlying shares of the Company.

Name of Shareholders	Capacity	Nature of Interest	Number of Shares interested	Approximate percentage of issued share capital of the Company <sup>(Note 4)</sup>
Niusanping Limited <sup>(Note 1)</sup>	Beneficial owner	Long	266,250,000	52.67%
Niujian Limited <sup>(Note 2)</sup>	Beneficial owner	Long	108,750,000	21.51%
Futu Trustee Limited <sup>(Note 3)</sup>	Trustee	Long	37,481,000	7.41%

**Notes:**

- (1) Niusanping Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Niu Sanping.
- (2) Niujian Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Niu Jian.
- (3) Futu Trustee Limited is the appointed trustee for the administration of the RSU Scheme. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, Futu Trustee Limited and its ultimate beneficial owners are third parties independent of the Company and are not connect persons (as defined under the Listing Rules) of the Company.
- (4) The percentage is calculated on the basis of 505,517,000 Shares in issue as at 28 February 2025.

Save as disclosed above, the Directors are not aware of any other person or corporation having an interest or short position in the Shares or the underlying shares of the Company or its associated corporation(s) which would require to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

## UPDATE ON DIRECTORS' INFORMATION

Mr. Hu Binhong has been appointed as an independent non-executive director of the Company with effect from 16 November 2024. Save as disclosed, there is no change in information of the Directors since 31 August 2024 pursuant to Rule 13.51B of the Listing Rules.

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with the code provisions as set out in the CG Code during the Period.

# Corporate Governance and Other Information

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 of the Listing Rules (the “**Model Code**”) as the Group’s code of conduct to regulate the securities transactions of the Directors. Having made specific enquiries, all Directors confirmed that they have complied with the Model Code during the Period.

## RESUMPTION OF TRADING IN SHARES

Since the Company received allegations with respect to the Listing and the use of proceeds from the Listing, which might affect the consolidated financial results of the Group, the Group was unable to publish its annual results and ESG reports for the two years ended 31 August 2022 and 31 August 2023 and the interim results for the two periods of six months ended 28 February 2023 and 29 February 2024 on time. At the request of the Company, the trading in Shares was suspended since 29 November 2022. On 10 January 2023, the Company received the Initial Resumption Guidance from the Stock Exchange, and on 3 November 2023, received additional resumption guidance (collectively referred to as the “**Resumption Guidance**”). The details of the requirements set out in the Resumption Guidance are as follows:

- (a) conduct an appropriate independent investigation into the allegations, announce the findings and take appropriate remedial actions;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (c) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
- (d) announce all material information for the Company’s shareholders and investors to appraise its position; and
- (e) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meeting the obligations under the Listing Rules. The annual results and the ESG report for the year ended 31 August 2022 and the interim results for the six months ended 28 February 2023 were subsequently published on 10 June 2024, and the annual results and the ESG report for the year ended 31 August 2023 and the interim results for the six months ended 29 February 2024 were subsequently published on 19 June 2024.

After years of unremitting efforts of the Company, all conditions under the Resumption Guidance were fulfilled and the trading in the Shares on the Stock Exchange resumed with effect from 9:00 a.m. on 15 October 2024. Details of the above matters are disclosed in the Company’s announcements dated 29 November 2022, 16 December 2022, 10 January 2023, 28 February 2023, 25 May 2023, 7 July 2023, 25 August 2023, 7 September 2023, 25 September 2023, 7 November 2023, 27 November 2023, 5 January 2024, 5 February 2024, 23 February 2024, 27 February 2024, 30 April 2024, 27 May 2024, 7 June 2024, 18 June 2024 and 14 October 2024.

## EVENTS AFTER THE REVIEW PERIOD

There was no significant events took place subsequent to 28 February 2025 and up to the date of this interim report.

# Corporate Governance and Other Information

## REVIEW OF INTERIM RESULTS

The interim results and this interim report of the Group for the Period have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”) comprising three independent non-executive Directors, namely Mr. Wong Chi Wah, Mr. Zan Zhihong and Mr. Hu Yuting. Mr. Wong Chi Wah is the chairman of the Audit Committee.

## APPRECIATION

The Company would like to take this opportunity to thank all of the Company’s shareholders and various stakeholders of the Group for their continuous support. Also, the Company would like to express its appreciation to all the staff for their efforts and commitments to the Group.

## BOARD OF DIRECTORS

As at the date of this report, the Board of the Company comprises Mr. Zhang Zhiwei, Mr. Niu Xiaojun and Ms. Zhang Zhonghua as executive Directors, and Mr. Zan Zhihong, Mr. Hu Yuting, Mr. Wong Chi Wah and Mr. Hu Binhong as independent non-executive Directors.

By Order of the Board  
**China General Education Group Limited**

**Zhang Zhiwei**  
*Chairman*

Hong Kong, 29 April 2025

# Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 28 February 2025

	Notes	For the six months ended	
		28 February 2025 (Unaudited) RMB'000	29 February 2024 (Unaudited) RMB'000
REVENUE	5	183,057	184,056
Cost of sales		(106,969)	(105,124)
Gross profit		76,088	78,932
Other income and gains	5	5,705	13,160
Selling expenses		(212)	(243)
Administrative expenses		(29,696)	(24,060)
Other expenses		(57)	(95)
Financing costs		(61)	(68)
PROFIT BEFORE TAX	6	51,767	67,626
Income tax expense	7	-	-
PROFIT FOR THE PERIOD		51,767	67,626
Attributable to:			
Owners of the Company		51,767	67,626
		51,767	67,626
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
- For profit for the Period		RMB0.11	RMB0.14

# Interim Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 28 February 2025

	Notes	For the six months ended	
		28 February 2025 (Unaudited) RMB'000	29 February 2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD		51,767	67,626
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		1,677	(1,282)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		1,677	(1,282)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		1,677	(1,282)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		53,444	66,344
Attributable to:			
Owners of the Company		53,444	66,344
		53,444	66,344

# Interim Condensed Consolidated Statement of Financial Position

At as 28 February 2025

	Notes	28 February 2025 (Unaudited) RMB'000	31 August 2024 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,196,286	1,026,697
Right-of-use assets		185,565	187,987
Other intangible assets		3,774	4,828
Other non-current assets		57,248	57,859
<b>Total non-current assets</b>		<b>1,442,873</b>	<b>1,277,371</b>
<b>CURRENT ASSETS</b>			
Trade receivables	11	99	35
Prepayments, other receivables and other assets	12	26,736	11,489
Financial assets at fair value through profit or loss	13	-	70,128
Cash and cash equivalents	14	595,685	695,897
<b>Total current assets</b>		<b>622,520</b>	<b>777,549</b>
<b>CURRENT LIABILITIES</b>			
Contract liabilities		149,526	149,644
Other payables and accruals	15	44,636	63,655
Lease liability		355	349
Bank borrowings		-	1,625
Deferred income		1,655	6,815
<b>Total current liabilities</b>		<b>196,172</b>	<b>222,088</b>
<b>NET CURRENT ASSETS</b>		<b>426,348</b>	<b>555,461</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,869,221</b>	<b>1,832,832</b>
<b>NON-CURRENT LIABILITY</b>			
Bank borrowings		-	16,875
Lease liability		30	210
<b>Total non-current liability</b>		<b>30</b>	<b>17,085</b>
<b>Net assets</b>		<b>1,869,191</b>	<b>1,815,747</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	16	33	33
Reserves		1,869,158	1,815,714
<b>Total equity</b>		<b>1,869,191</b>	<b>1,815,747</b>

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 28 February 2025

	Attributable to owners of the parent								
	Share capital RMB'000	Share premium RMB'000	Shares held for the share award plan RMB'000	Capital reserve RMB'000	Statutory and other surplus reserves RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
As at 1 September 2024 (audited)	33	376,911	(123,131)	90,500	387,303	(42)	14,115	1,070,058	1,815,747
Profit for the Period	-	-	-	-	-	-	-	51,767	51,767
Other comprehensive loss for the Period exchange differences on translation of financial statements	-	-	-	-	-	-	1,677	-	1,677
Total comprehensive income for the Period	-	-	-	-	-	-	1,677	51,767	53,444
Appropriations to statutory surplus reserves	-	-	-	-	13,753	-	-	(13,753)	-
As at 28 February 2025 (unaudited)	33	376,911*	(123,131)*	90,500*	401,056*	(42)*	15,792*	1,108,072*	1,869,191

\* These reserve accounts comprise the consolidated reserves of RMB1,869,158,000 (31 August 2024: RMB1,815,714,000) in the interim condensed consolidated statement of financial position as at 28 February 2025.

	Attributable to owners of the parent								
	Share capital RMB'000	Share premium RMB'000	Shares held for the share award plan RMB'000	Capital reserve RMB'000	Statutory and other surplus reserves RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
As at 1 September 2023 (audited)	33	376,911	(123,131)	90,500	355,858	(42)	14,684	993,087	1,707,900
Profit for the Period	-	-	-	-	-	-	-	67,626	67,626
Other comprehensive loss for the Period exchange differences on translation of financial statements	-	-	-	-	-	-	(1,282)	-	(1,282)
Total comprehensive income for the Period	-	-	-	-	-	-	(1,282)	67,626	66,344
Appropriations to statutory surplus reserves	-	-	-	-	13,518	-	-	(13,518)	-
As at 29 February 2024 (unaudited)	33	376,911	(123,131)	90,500	369,376	(42)	13,402	1,047,195	1,774,244

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 28 February 2025

	Notes	For the six months ended	
		28 February 2025 (Unaudited) RMB'000	29 February 2024 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		51,767	67,636
Adjustments for:			
Finance costs		87	69
Bank interest income	5	(4,875)	(7,143)
Interest income from financial products	5	(429)	(171)
Loss on disposal of items of property, plant and equipment, net	6	2	18
Fair value losses/(revenue) on financial assets at fair value through profit or loss	6	-	-
Depreciation of property, plant and equipment	6	17,639	19,821
Depreciation of right-of-use assets	6	2,422	2,253
Amortisation of other intangible assets	6	1,054	1,111
Increase in trade receivables		(64)	(61)
(Increase)/decrease in prepayments, other receivables and other assets		(14,636)	(1017)
(Decrease)/increase in contract liabilities		(118)	(7,364)
Decrease in other payables and accruals		(19,018)	(10,964)
(Decrease)/increase in deferred income		(5,160)	(1,964)
Cash (used in)/generated from operations		28,672	62,214
Interest received		4,875	7,143
Income tax paid			
Net cash flows (used in)/generated from operating activities		33,546	69,357



# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 28 February 2025

	Notes	For the six months ended	
		28 February 2025 (Unaudited) RMB'000	29 February 2024 (Unaudited) RMB'000
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Interest received		429	59
Acquisition of land use rights		-	-
Additions to other intangible assets		-	(70)
Purchases of items of property, plant and equipment		(190,849)	(85,474)
Receipt of government grants for equipment and other intangible assets		3,619	-
Purchases of financial assets at fair value through profit or loss		-	(50,001)
Proceeds from sale of financial assets at fair value through profit or loss		70,128	22,335
Net cash flows generated from/(used in) investing activities		(116,673)	(108,151)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Principal portion of lease payments		(174)	-
Interest portion of lease payments		(10)	-
Bank borrowings received		(18,500)	(500)
Interest paid		(78)	(69)
Net cash flows used in financing activities		(18,762)	(569)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of period		695,897	813,844
Effect of foreign exchange rate changes, net		1,677	(1,282)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	13	<b>595,685</b>	<b>773,199</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	13	595,685	773,199
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		595,685	773,199

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 1. CORPORATE AND GROUP INFORMATION

China General Education Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 14 September 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered office address of the Company is the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 July 2021. The trading of the Company’s shares on the Stock Exchange was suspended since 29 November 2022 and resumed on 15 October 2024. The Company is an investment holding company. During the Period, the Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the provision of higher education services in the People’s Republic of China (the “**PRC**”). There has been no significant change in the Group’s principal activities during the Period. In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Niusanping Limited, which is incorporated in the British Virgin Islands and owns 52.67% of the shareholding interest held by Mr. Niu Sanping.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 28 February 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does 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 for the year ended 31 August 2024.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 August 2024.

## 4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of higher education services in Mainland China.

IFRS 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 of the Company, 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 reviewed 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 Mainland China and all of its long-term assets/capital expenditure were located/incurred in Mainland China. Accordingly, no geographical segment information is presented.

### Information about major customers

No services provided to a single customer amounted to 10% or more of the total revenue of the Group during the Period.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 5. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Tuition fees	167,035	168,061
Boarding fees	16,022	15,995
<b>Total revenue from contracts with customers</b>	<b>183,057</b>	<b>184,056</b>
<b>Other income and gains</b>		
Bank interest income	4,875	9,424
Interest income from financial products	300	171
Examination and training income	363	1,353
Operating income	898	952
Others	(731)	1,260
	<b>5,705</b>	<b>13,160</b>

### Revenue from contracts with customers

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Timing of revenue recognition</b>		
Tuition fees recognised over time	167,035	168,061
Boarding fees recognised over time	16,022	15,995
	<b>183,057</b>	<b>184,056</b>

The Group's contracts with students for college education programmes and boarding services can be terminated anytime without compensation. Tuition and boarding fees are determined and paid by the students before the start of each academic period.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 6. 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
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		52,100	46,108
Pension scheme contributions (defined contribution scheme)		13,715	14,537
Depreciation of property, plant and equipment		17,639	19,821
Depreciation of right-of-use assets		2,422	2,253
Amortisation of other intangible assets		1,054	1,111
Loss on disposal of items of property, plant and equipment, net	(a)	2	18

Note (a) Loss on disposal of items of property, plant and equipment and donation expenses are included in other expenses in the consolidated statement of profit or loss and statement of other comprehensive income.

## 7. 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.

China General Education Group (Hong Kong) Limited was subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Period. 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.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 7. INCOME TAX *(continued)*

According to the Implementation Rules for the Law for Promoting Private Education, private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. The preferential tax treatment policies applicable to private schools requiring reasonable returns are to be separately formulated by the financing authority, taxation authority and other authorities under the State Council. During the Period and up to the date of this report, the college of the Group has historically enjoyed the preferential tax treatment since their establishment. As a result, no income tax expense was recognised by the college of the Group for the income from the provision of formal educational services during the Period.

The Group's non-school subsidiaries established in Mainland China were subject to PRC corporate income tax at the rate of 25% during the Period.

Corporate income tax of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Mainland China during the Period.

	For the six months ended	
	28 February 2025	29 February 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – the PRC		
Charge for the Period	-	-
Total tax charge for the Period	-	-

## 8. DIVIDENDS

No dividend has been paid or declared by the Company in the Period (six months ended 29 February 2024: nil).

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

The Group had no potentially dilutive ordinary shares in issue as at 28 February 2025 and 29 February 2024. The calculations of basic and diluted earnings per share are based on:

	For the six months ended	
	28 February 2025	29 February 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the calculation of basic and diluted earnings per share	51,767	67,626

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

	Number of shares	
	28 February 2025	29 February 2024
Shares		
Weighted average number of ordinary shares in issue during the Period used in the calculation of basic earnings per share	505,517,000	505,517,000
Weighted average number of shares held for the RSU Scheme	(37,481,000)	(37,481,000)
Weighted average number of ordinary shares in issue used in the calculation of basic and diluted earnings per share	468,036,000	468,036,000

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 28 February 2025, the Group acquired assets at a cost of RMB209,806,000 (29 February 2024: RMB89,869,000), including construction in progress of RMB187,795,000 (29 February 2024: RMB71,525,000).

Assets with a net book value of RMB2,323 were disposed of by the Group during the six months ended 28 February 2025 (29 February 2024: RMB17,573), resulting in a net loss on disposal of RMB2,323 (29 February 2024: net loss of RMB17,573).

## 11. 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 provisions, is as follows:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Tuition fees receivable	93	32
Boarding fees receivable	6	3
	99	35

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming academic year, which normally commences in September. The outstanding receivables represent amounts due from students who have applied for deferred payments of tuition fees and boarding fees. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables were immaterial, there is no significant concentration of credit risk to the Group. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and aged within one year.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Prepaid service expense	22,593	7,469
Loan receivables	4,000	4,000
Interest receivables	774	221
Other receivables	3,369	3,799
	<b>30,736</b>	<b>15,489</b>
Less: Provision for impairment	<b>(4,000)</b>	<b>(4,000)</b>
	<b>26,736</b>	<b>11,489</b>

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Unlisted investments, at fair value	–	70,128

The above unlisted investments are financial management and fund products. Since the contractual cash flows of these products are not only principal and interest payments, they are mandated to be classified as financial assets at fair value through profit or loss.

## 14. CASH AND CASH EQUIVALENTS

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Cash and bank balances	414,642	695,897
Time deposits	181,043	–
Cash and cash equivalents	<b>595,685</b>	<b>695,897</b>
Cash and cash equivalents denominated in:		
– RMB	547,407	645,839
– HK\$	122	2,709
– US\$	48,156	47,349

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 15. OTHER PAYABLES AND ACCRUALS

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Payables for purchase and construction of property, plant and equipment	10,446	9,961
Payables for listing expenses	–	100
Miscellaneous fees received from students	5,146	2,704
Subsidies payable to students	2,399	17,300
Payables for logistics services and other services	8,601	7,772
Payables for salaries, social insurance, and housing fund	10,615	9,615
Other tax payables	2,925	4,747
Other payables	4,504	11,456
	<b>44,636</b>	<b>63,655</b>

## 16. SHARE CAPITAL

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Authorised:		
5,000,000,000 ordinary shares of US\$0.00001 each as at 28 February 2025 (2024: 5,000,000,000 ordinary shares)	342	342
Issued and fully paid:		
505,517,000 ordinary shares as at 28 February 2025 (2024: 505,517,000 ordinary shares)	33	33

## 17. COMMITMENTS

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

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Property	792,553	1,023,437
Teaching facilities	5,236	19,625
	<b>797,789</b>	<b>1,043,062</b>



# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 28 February 2025

## 18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	For the six months ended	
	28 February 2025	29 February 2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Short term employee benefits	510	2,718
Pension scheme contributions	86	137
	<b>596</b>	<b>2,855</b>

## 19. BORROWINGS

Name	28 February 2025	31 August 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Interest-bearing bank borrowings	(a) -	18,500
	-	18,500

(a) During the Period, the Group has fully repaid the bank borrowings up to 31 August 2024 amounting to RMB18.5 million.

## 20. EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 28 February 2025 and up to the date of approval of these financial statements.