



希教國際控股有限公司 XJ International Holdings Co., Ltd.

(Formerly known as “Hope Education Group”)

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1765



2025

Interim Report



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BOARD OF DIRECTORS

Executive Directors

Mr. Wang Huiwu (*Chief Executive Officer*)
Ms. Wang Xiu (*appointed with effect from 29 November 2024*)
Mr. Deng Yi (*appointed with effect from 27 September 2024*)
Ms. Lou Qunwei (*resigned with effect from 29 November 2024*)
Mr. Xu Changjun (*re-designated from an executive Director to a non-executive Director with effect from 27 September 2024*)

Non-executive Directors

Mr. Zhang Bing (*Chairman*)
Mr. Xu Changjun (*re-designated from an executive Director to a non-executive Director with effect from 27 September 2024*)
Mr. Wang Xiaowu (*appointed with effect from 23 January 2025*)
Mr. Tang Jianyuan (*resigned with effect from 27 September 2024*)
Mr. Li Tao (*resigned with effect from 23 January 2025*)

Independent Non-executive Directors

Mr. Zhang Jin
Mr. Liu Zhonghui
Mr. Xiang Chuan

Audit Committee

Mr. Zhang Jin (*Chairman*)
Mr. Xu Changjun (*appointed with effect from 27 September 2024*)
Mr. Wang Xiaowu (*appointed with effect from 23 January 2025*)
Mr. Liu Zhonghui
Mr. Xiang Chuan
Mr. Tang Jianyuan (*resigned with effect from 27 September 2024*)
Mr. Li Tao (*resigned with effect from 23 January 2025*)

Nomination and Remuneration Committee

Mr. Liu Zhonghui (*Chairman*)
Mr. Wang Huiwu
Mr. Xiang Chuan

Strategy and Development Committee

Mr. Wang Huiwu (*Chairman*)
Mr. Wang Xiaowu (*appointed with effect from 23 January 2025*)
Mr. Deng Yi (*appointed with effect from 27 September 2024*)
Mr. Zhang Bing
Ms. Wang Xiu (*appointed with effect from 29 November 2024*)
Ms. Lou Qunwei (*resigned with effect from 29 November 2024*)
Mr. Xu Changjun (*ceased to be a member with effect from 27 September 2024*)
Mr. Li Tao (*resigned with effect from 23 January 2025*)

AUTHORIZED REPRESENTATIVES

Mr. Wang Huiwu (*appointed with effect from 23 January 2025*)
Ms. Chan Yin Wah
Mr. Li Tao (*resigned with effect from 23 January 2025*)

COMPANY SECRETARY

Ms. Chan Yin Wah
Mr. Tan Li (*appointed with effect from 13 February 2025*)
Mr. He Di (*resigned with effect from 23 January 2025*)

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISOR AS TO HONG KONG LAW

Tian Yuan Law Firm LLP
Suites 3304–3309, 33/F
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One Connaught Place
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Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

COMPLIANCE ADVISOR

Giraffe Capital Limited
3/F, 8 Wyndham Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
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Cayman Islands

HONG KONG SHARE REGISTRAR

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Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China

COMPANY'S WEBSITE

www.hopeedu.com

STOCK CODE

1765

HIGHLIGHTS**1. Expanding practical training capacity and new majors, and strengthening teaching conditions of practical trainings**

We continue to increase investment in developing practical training resources for our institutions, comprehensively enhancing the conditions for practical teaching. During the Reporting Period, the Company invested nearly RMB100 million in the expansion of training facilities, upgrades of software and hardware equipment, and renovations of the teaching environment, with more than 40 new training units built; we targeted the demand for talents in the development of new quality productivity in this period, with over 30 majors reported by our institutions in fields such as drone technology, industrial robotics, artificial intelligence applications, and new energy applications.

2. Enhancing the quality and efficiency of talent recruitment with significant achievements in teaching practices

We focus on precise talent recruitment and long-term talent cultivation, and steadily advancing the work of talent introduction and training. During the Reporting Period, we welcomed more than 393 teachers, among which, the proportion of our talents with advanced levels had reached the proportion of 18.6%; 1,558 training sessions of various kinds for teachers were conducted; our school teachers had participated in competitions which earned us a total of 800 awards, including 56 national awards and 398 provincial awards.

3. Strengthening the employment service system and improving the quality of student employment

We adhere to an employment-first strategy by optimizing the curriculum system with a focus on employment, enhancing the provision of skills required for various positions, and simultaneously promoting talent cultivation through school-enterprise collaboration. We have established partnerships with nearly 1,000 enterprises and engaged in deep cooperation with leading industry companies such as CALB, Chery Automobile, and FAW-Volkswagen. Throughout the period, we held a total of 343 job fairs, offering more than 120,000 positions, and the rate of graduates from our colleges being employed for the first time has steadily increased.

4. Enhancing the quality of international education and promoting the collaborative development of domestic and overseas institutions

We continuously improve the talent cultivation quality of three universities operating abroad. INTI International University in Malaysia ranked 516th in the QS World University Rankings 2025; Shinawatra University was listed between 151st to 200th of the QS World University Rankings by Subject for Art and Design. We actively fuelled the sharing of quality educational resources among overseas and domestic institutions organized by the Company, and nine of our Sino-Foreign cooperation projects were proceeding smoothly, achieving new milestones in the work of joint talent cultivation.



REVIEW ON INDUSTRY POLICIES

On 20 January 2025, the 2024–2035 Master Plan on Building China into a Leading Country in Education (《教育強國建設規劃綱要(2024–2035)》) jointly issued by the CPC Central Committee and the State Council proposed for the first time that China aims to become a leading country in education by 2035. This document is China’s first national-level action plan themed “leading country in education” aiming at promoting the integrated development of education, technology, and talent through systematic deployment, serving the modernization construction with Chinese characteristics, and enhancing the efficiency of the national innovation system comprehensively.

The 2025 Government Work Report (《2025年政府工作報告》) that was considered and approved by the Third Session of the Fourteenth National People’s Congress clearly stated: It is of great importance to “deeply implement the strategy of rejuvenating the country through science and education, and enhance the overall efficiency of the national innovation system.” The report proposed to formulate and implement a three-year action plan for building a leading country in education, advancing education development, technological innovation, and talent cultivation in a coordinated manner, thereby establishing a foundational and strategic support for modernization with Chinese characteristics.

Our Business Development Achievements by Schools

1. *Implementing the connotative development strategy and adhering to the central position of teaching*

Anchoring their goals in building a leading country in education, our schools firmly uphold the central position of teaching, and actively promoted qualified assessments of undergraduate colleges, the conversion of independent colleges and the construction projects meeting the standard operating conditions of vocational schools following the requirements of education authorities. Guided by high-quality employment and based on the construction of characteristic schools, the Company’s schools adjusted and optimized the structure majors to concentrate on academic research, advanced teaching and research work, and enhanced the core competitiveness of its institutions. During the Reporting Period, all colleges together had up to 23 first-class undergraduate major construction sites at the provincial level, with 41 key construction projects initiated for the cultivation of characteristic majors at the school level, 46 newly added “1 + X” certificate pilot majors; 396 professional construction plans formulated, altogether they continued to deepen the construction of majors.



2. *Actively integrating teaching and research resources, achieving remarkable academic and research results*

Our institutions attach great importance to research work, actively creating a strong research atmosphere. We vigorously integrated research resources, and made every effort to promote research and innovation. During the Reporting Period, 16 domestic colleges established a total of 388 projects at various levels and of various categories, including 152 provincial-level projects, 38 municipal-level projects, and 199 school-level projects; they published 894 papers, of which 69 were in core journals (including 13 indexed by SCI, 9 indexed by EI, and 47 in Chinese core journals); they were granted 56 patents; they developed 14 self-published textbooks (including 1 national planned textbook and 2 provincial planned textbooks); and they published 14 monographs. The INTI International University in Malaysia has published 993 papers in international journals, representing an increase of 71.2% as compared to the previous period. Shinawatra University added 259 Scopus papers, representing an increase of 72.7% as compared to the previous period.

3. *Strengthening the integration of industry and education in talent cultivation, and optimizing the talent training model*

We actively explore new approaches for collaborative talent cultivation and build a community for the development of industry and education. Our schools have established close partnerships with over 70 enterprises, jointly creating multiple talent training models such as apprenticeship systems, order form classes, and modern industry colleges. This enables the sharing of resources between institutions and enterprises in areas such as human resources and practical training venues, comprehensively enhancing students' hands-on skills, problem-solving abilities, and employability.

Significant Events during the Reporting Period

1. On 16 September 2024, the Bank of New York Mellon, London Branch filed a Notice of Appeal to the Court of Appeal against the order of dismissal of winding-up petition made by the High Court on 28 August 2024. The hearing of the Appeal was fixed on 17 April 2025. For details, please refer to the announcements of the Company dated 16 September 2024 and 18 December 2024.
2. With effect from 27 September 2024, Mr. Tang Jianyuan has resigned as a non-executive Director and a member of the Audit Committee of the Company in order to devote more time to his personal matters; Mr. Xu Changjun has been re-designated from the position of an executive Director to a non-executive Director, ceased to be a member of the Strategy and Development Committee of the Company and has been appointed as a member of the Audit Committee of the Board; and Mr. Deng Yi has been appointed as an executive Director and a member of the Strategy and Development Committee. For details, please refer to the announcement of the Company dated 27 September 2024.

3. On 29 November 2024, Sichuan Hope Education and Chengdu Jinyuhua Enterprise Management Co., Ltd.* (成都瑾育華企業管理有限公司) entered into a transfer agreement with Laike Holdings Co., Ltd.* (萊克控股有限公司) and Nanfeng Zhiwoyi (Beijing) Education Technology Co., Ltd.* (南風知我意(北京)教育科技有限公司). As the highest applicable percentage ratio in respect of the disposal exceeds 25% but is less than 75%, the disposal is subject to approval of the shareholders of the company pursuant to Rule 14.06(3) of the Listing Rules. Upon completion of relevant approval procedures and the transaction, the financial results of Weixian Giant Education Technology Co., Ltd.* (威縣巨人教育科技有限公司) and its affiliated entities and Hebei Wuhu Property Development Co., Ltd.* (河北五湖房地產開發有限公司) will cease to be incorporated into the consolidated financial accounts of the Group. Since additional time is needed to prepare for and implement the content, the dispatch of the relevant circular will be delayed to 31 May 2025 or before. For details, please refer to the announcements of the Company dated 29 November 2024, 19 December 2024, 28 January 2025, 28 February 2025, 31 March 2025 and 30 April 2025.
4. With effect from 29 November 2024, Ms. Lou Qunwei has resigned as an executive Director and a member of the Strategy and Development Committee of the Company due to change in work arrangement. Ms. Wang Xiu has been appointed as an executive Director and a member of the Strategy and Development Committee. For details, please refer to the announcement of the Company dated 29 November 2024.
5. With effect from 4 December 2024, Mr. Yang Wen has been appointed as our chief investment officer of the Company. For details, please refer to the announcement of the Company dated 4 December 2024.
6. On 23 January 2025, Mr. Li Tao has resigned as a non-executive Director, a member of the Audit Committee, a member of the Strategy and Development Committee and an authorized representative of the Company due to change in work arrangement. Mr. Wang Xiaowu has been appointed as a non-executive Director, a member of the Audit Committee and a member of the Strategy and Development Committee of the Company. Mr. Yuan Junmin has resigned as the chief financial officer of the Company due to change in work arrangement, and Mr. Yang Wen has been appointed as the chief financial officer of the Company. Mr. Yang Wen has resigned as the chief investment officer of the Company due to change in work arrangement, and Mr. Tan Li has been appointed as the chief investment officer of the Company. Mr. He Di has resigned as a joint company secretary of the Company due to personal reasons. Mr. Wang Huiwu has been appointed to replace Mr. Li Tao as the authorized representative of the Company. For details, please refer to the announcement of the Company dated 23 January 2025.
7. On 13 February 2025, Mr. Tan Li has been appointed as the joint company secretary of the Company with effect from 13 February 2025. For details, please refer to the announcement of the Company dated 13 February 2025.

8. On 13 February 2025, Sichuan Hope Education and Lanzhou Hengwen Middle School New Campus Co., Ltd.* (蘭州衡文中學新校區有限責任公司) entered into the equity transfer agreement, pursuant to which, Sichuan Hope Education has agreed to dispose and Lanzhou Hengwen Middle School New Campus Co., Ltd. has agreed to acquire 100% equity interest and the affiliated entity of Baiyin Mingde Education Co., Ltd.* (白銀明德教育有限責任公司). For details, please refer to the announcements of the Company dated 13 February 2025 and 10 April 2025.

Our Students

The Group believes the pragmatic teaching philosophy of its schools, its well-developed curriculum system, good-quality teachers as well as its high graduate employment rate help the Group to attract high-quality students who are seeking for their ideal employment.

	Student Enrollment	
	As at 28 February 2025 ¹	As at 29 February 2024 ²
Undergraduate colleges	138,739	142,455
Junior colleges	143,819	136,772
Technical education	8,706	11,700
Total	291,264	290,927

Notes:

- The student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools.
- The student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools, including the students of Gongqing College which was disposed of in April 2024.

OUTLOOK

1. Fully embarking on a new journey of sustainable development

In the context of the national efforts to promote the construction of a leading country in education, the Company has always regarded improving the quality of education and teaching, as well as strengthening the level of talent cultivation, as the core tasks of operating schools. In the fields of practical training and majors development, we continuously optimize the conditions for the teaching of practical training, focus on strengthening the development of interdisciplinary majors, and strive to cultivate versatile talents that meet the demands of the times. We have built a more well-established teacher training system, which strengthens the cultivation of teachers' practical abilities and international exchange and cooperation, making every effort to create a high-quality teaching team. At the same time, we actively promote the transformation and application of scientific research achievements, drive deep integration of industry, academia, and research, and effectively enhance the research and innovation capabilities of our schools as well as their level of social service.

2. Promoting the leap in the influence of international education

The Company will continue to explore in the overseas education sector and strive to advance internationalized education to a higher level. Several overseas institutions centered around INTI International University in Malaysia has aligned with global top-tier educational standards. Leveraging a cross-border educational resource sharing platform, they break geographical and cultural boundaries, deepen collaborations among domestic and overseas institutions, and contribute to the cultivation of versatile talents with both global perspectives and professional competencies.

3. Making every effort to safeguard the stable development of the Company and our schools

The Company strictly complies with national laws and regulations, fully utilizes market-oriented approaches to steadily and orderly promotes the resolution of debt risks; and continuously optimizes asset allocation, comprehensively implements a lean management model, and safeguards the sustainable, stable, and healthy development of the Company and its schools.

FINANCIAL REVIEW

Non-IFRS Accounting Standards Measurement

To supplement the Group's unaudited condensed consolidated financial statements which are presented in accordance with IFRS Accounting Standards, the Company also uses adjusted gross profit, adjusted net profit and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. The Company believes that these non-IFRS Accounting Standards 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 financial results for the six months ended 28 February 2025 and 29 February 2024 are as follows:

Items	For the six months ended 28 February 2025 (in millions of RMB) (Unaudited)	For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)
Revenue	2,116.70	2,042.17
Less: Cost of sales	1,192.69	1,143.21
Gross profit	924.01	898.96
Add: Other income and gains	142.26	252.86
Less: Selling expenses	159.52	146.91
Administrative expenses	287.67	295.76
Finance costs	112.51	154.02
Other expenses	33.99	101.36
Fair value loss on convertible bonds	103.92	146.51
Add: Share of profit of a joint venture	—	26.96
Profit before tax	368.66	334.22
Income tax expense	60.72	94.51
Profit for the period	307.94	239.71
Adjusted gross profit	950.26	923.13
Adjusted net profit	479.42	429.16

Calculation of adjusted gross profit

Items	For the six months ended 28 February 2025 (in millions of RMB) (Unaudited)	For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)
Gross profit	924.01	898.96
Add:		
Depreciation and amortisation arising from valuation appreciation	26.25	24.17
Adjusted gross profit	950.26	923.13

Description:

Adjusted gross profit is calculated as gross profit for the period after eliminating additional depreciation and amortisation from temporary fair value adjustment of identifiable assets acquired.

Calculation of adjusted net profit

Items	For the six months ended 28 February 2025 (in millions of RMB) (Unaudited)	For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)
Net profit	307.94	239.71
Add:		
1. Depreciation and amortisation arising from valuation appreciation	25.24	25.45
2. Conversion fees	11.10	12.52
3. Finance cost accrued at amortised cost because of deferred payment for purchase of equity interest	10.53	9.92
4. Equity-settled share option expense	2.74	12.63
5. Fair value loss on convertible bonds	103.92	146.51
6. Impairment losses	(2.96)	94.02
Less:		
1. Foreign exchange (loss)/gain, net	(20.91)	18.35
2. Gain on disposal of equity interests	—	93.25
Adjusted net profit	479.42	429.16

Note:

Adjusted net profit is calculated after eliminating (i) additional depreciation and amortisation resulting from the temporary fair value adjustment of the identifiable assets acquired; (ii) conversion fees of independent colleges; (iii) finance cost accrued at amortised cost because of a payment due over one year for the acquisition of equity interest under the agreement; (iv) equity-settled share option expense; (v) fair value loss on convertible bonds; (vi) impairment losses; (vii) foreign exchange (loss)/gain, net; and (viii) gain on disposal of equity interests.

Overview

For the six months ended 28 February 2025, we recorded revenue of RMB2,116.70 million, adjusted gross profit of RMB950.26 million and gross profit of RMB924.01 million.

For the six months ended 28 February 2025, adjusted net profit of the Group was RMB479.42 million and net profit was RMB307.94 million.

Revenue

For the six months ended 28 February 2025, revenue of the Group reached RMB2,116.70 million, representing an increase of RMB74.53 million or 3.65% from RMB2,042.17 million for the corresponding period of last year. Such increase was mainly due to the significant increase in the number of students enrolled and the adjustment of the charging standard.

Cost of Sales

For the six months ended 28 February 2025, the cost of sales of the Group was RMB1,192.69 million, representing an increase of RMB49.48 million or 4.33% from RMB1,143.21 million for the corresponding period of last year. Such increase was mainly due to regulatory requirements such as schools conversion and teaching evaluations, enhancement of teaching quality as well as the increased investment in terms of personnel and resources.

Gross Profit

For the six months ended 28 February 2025, gross profit of the Group was RMB924.01 million, representing an increase of RMB25.05 million or 2.79% from RMB898.96 million for the corresponding period of last year.

For the six months ended 28 February 2025, adjusted gross profit of the Group was RMB950.26 million, representing an increase of RMB27.13 million or 2.94% from RMB923.13 million for the corresponding period of last year.



Selling Expenses

For the six months ended 28 February 2025, selling expenses of the Group amounted to RMB159.52 million, representing an increase of RMB12.61 million or 8.58% from RMB146.91 million for the corresponding period of last year. Such increase was mainly due to the increased efforts to enhance the recruitment of international students. Selling expenses accounted for 7.5% of the revenue for the period, representing an increase from 7.2% for the corresponding period of last year.

Administrative Expenses

For the six months ended 28 February 2025, administrative expenses of the Group amounted to RMB287.67 million, representing a decrease of RMB8.09 million or 2.74% from RMB295.76 million for the corresponding period of last year. Such decrease was mainly due to the completion of amortization of equity-settled share option expense on 26 September 2024 and that the amortization period is less than one month, as well as the restructuring and optimization of the employment structure (where some administrative employees were transferred to teaching position).

Finance Costs

For the six months ended 28 February 2025, finance costs of the Group amounted to RMB112.51 million, representing a decrease of RMB41.51 million or 26.95% from RMB154.02 million for the corresponding period of last year, which was mainly due to the change in loan scale and structure of the Group.

Profits for the Reporting Period

For the six months ended 28 February 2025, adjusted net profit of the Group amounted to RMB479.42 million, representing an increase of RMB50.26 million or 11.71% from RMB429.16 million for the corresponding period of last year.

For the six months ended 28 February 2025, adjusted net profit margin of the Group was 22.65%, representing an increase of 1.64% from 21.01% for the corresponding period of last year. The increase in adjusted net profit was mainly attributed to the significant growth in the number of students enrolled and the adjustment of the charging standard.

For the six months ended 28 February 2025, net profit of the Group amounted to RMB307.94 million, representing an increase of RMB68.23 million or 28.46% from RMB239.71 million for the corresponding period of last year.



Capital Commitments

The Group's capital commitments were primarily related to the acquisition of property, plant and equipment. The following table sets forth a summary of our capital commitments as of the dates indicated:

	As at 28 February 2025 (in millions of RMB) (Unaudited)	As at 31 August 2024 (in millions of RMB)
Contracted, but not provided for:		
Property, plant and equipment	310.75	600.24
Prepaid land lease payments	37.73	37.73
Acquisition of equity interests	—	66.78
	348.48	704.75

Liquidity and Financial Resources

As at 28 February 2025, the Group had total cash and bank balances of RMB1,681.05 million (31 August 2024: RMB3,100.75 million), among which: (i) cash and cash equivalents amounted to RMB1,616.38 million (31 August 2024: RMB2,549.30 million); and (ii) pledged and restricted deposits amounted to RMB64.67 million (31 August 2024: RMB551.45 million).

Indebtedness

Bank Loans and Other Borrowings

The Group's bank loans and other borrowings primarily consist of short-term working capital loans and long-term loans for constructing school buildings and facilities. The Group supplements its working capital and finances its expenditure primarily through borrowings obtained from banks. As at 28 February 2025, the aggregate loan balance amounted to RMB2,129.14 million (31 August 2024: RMB3,237.36 million), mostly denominated in RMB. As of 28 February 2025, the Group's bank loans and other borrowings bore effective interest rates ranging from 2.50% to 10.03% per annum (31 August 2024: 3.80% to 10.67%).

The Group's objective is to maintain a balance between the continuity and flexibility in the supply of funds through the use of cash flows generated within our Group's operations and other borrowings. The Group regularly reviews major funding positions to ensure adequate financial resources to meet its financial obligations.



Current Ratio

As at 28 February 2025, current assets of the Group amounted to RMB2,610.46 million, consisting of cash and cash equivalents and pledged and restricted deposits of RMB1,668.32 million, prepayments, deposits and other receivables of RMB500.10 million, assets classified as held for sale of RMB296.59 million, trade receivables of RMB51.27 million, contract cost assets of RMB50.30 million, amount due from related parties of RMB6.66 million, and properties under development of RMB37.22 million. Current liabilities of the Group amounted to RMB8,237.07 million, including other payables and accruals of RMB2,816.37 million, convertible bonds of RMB2,098.11 million, contract liabilities of RMB1,741.12 million, interest-bearing bank and other borrowings of RMB1,130.03 million, liabilities directly associated with the assets classified as held for sale of RMB95.41 million, and other current liabilities of RMB356.03 million. As at 28 February 2025, current ratio (current assets divided by current liabilities) of the Group was 0.32 (31 August 2024: 0.43).

Contingent Liabilities

As at 28 February 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

Charge on Group Assets

As at 28 February 2025, certain of the Group's deposits, equity interests in certain subsidiaries and buildings were pledged to secure the bank loans granted to the Group. For details, please refer to Note 19 to the condensed consolidated financial statements. Save for the charges disclosed above and in the condensed consolidated financial statements, the Group did not have any other charges on its assets.

Net Debt to Equity Ratio

Net debt to equity ratio equals to total interest-bearing bank and other borrowings of RMB2,129.14 million, net of cash and cash equivalents of RMB1,616.38 million, pledged and restricted deposits of RMB64.67 million divided by total equity of RMB9,451.69 million at the end of the Reporting Period. The Group's net debt to equity ratio increased from 1.5% as at 31 August 2024 to 4.7% as at 28 February 2025, primarily because the Group repaid much more bank and other borrowings during the Reporting Period.

Debt to Equity Ratio

As at 28 February 2025, debt to equity ratio of the Group (calculated by dividing total interest-bearing bank and other borrowings by total equity) was approximately 22.5% (31 August 2024: 35.4%).



Significant Investments, Material Acquisitions and Disposals and Future Plans in relation to Material Investments or Capital Assets

As at 28 February 2025, we did not have any significant investments, material acquisitions and disposals or any future plans in relation to material investments or capital assets. Each of the investments held by us as a percentage of the Group's total assets as at 28 February 2025 did not amount to 5% or more.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this report, during the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Events after the Reporting Period

1. On 7 March 2025, upon the approval of the Board of the Company, a special work group for the convertible bonds has been formed with Mr. Yang Wen, the chief financial officer, as the group leader, Mr. Tan Li, the joint company secretary and chief investment officer and Mr. Zhou Xing, the head of legal department, as members. As authorized by the Board, the special work group has engaged financial advisors and legal counsel. For details, please refer to the announcement of the Company dated 7 March 2025.
2. On 17 April 2025, the High Court of Hong Kong held the hearing of the appeal for the dismissal of winding-up petition with judgment reserved. For details, please refer to the announcement of the Company dated 17 April 2025.
3. On 24 April 2025, Sichuan Shurui Enterprise Management Service Co., Ltd.* (四川署瑞企業管理服務有限公司) and Hunan Zhongxie Education Management Group Co., Ltd.* (湖南中協教育管理集團有限公司) entered into an equity transfer agreement, pursuant to which Sichuan Shurui Enterprise Management Service Co., Ltd.* has conditionally agreed to transfer and Hunan Zhongxie Education Management Group Co., Ltd.* has conditionally agreed to acquire 80% equity interests in Nanchang Dongmei Education Technology Co., Ltd.* (南昌東美教育科技有限公司) and interests in its subsidiary entities at the total valuation of RMB236.5 million. For details, please refer to the announcement of the Company dated 24 April 2025.

Foreign Currency Risk and Management

The majority of the Group's revenue and expenditures are denominated in Renminbi, the functional currency of the Company. As at 28 February 2025, certain bank balances and cash were denominated in Thailand Baht and Ringgit Malaysia. The Group has not entered into any financial arrangements for hedging purpose as it is expected that there will be no material foreign exchange exposure.



Human Resources, Employees and Remuneration Policy

As at 28 February 2025, the Group had approximately 17,691 faculty members. The remuneration of employees is determined on the basis of current industry practices and the educational background, experience and performance of employees. As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical, maternity, work injury and unemployment insurance and share option scheme (for the scheme, please refer to page 22 of this report). On the basis of the current remuneration system, the Group issued the Guiding Opinions on Remuneration Supplementary Scheme in line with the local economic level, revised the school assessment system, urged and guided all colleges to implement the care and love policy, improved the benefits of faculty members, and fully mobilized the working enthusiasm of faculty members.

INTERIM DIVIDEND

The Board resolved not to pay any interim dividend to the Shareholders for the Reporting Period (six months ended 29 February 2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is the foundation to create more value for the Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for Shareholders.

Throughout the six months ended 28 February 2025, the Company has complied with the code provisions contained in the Corporate Governance Code.



CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the disclosure made in the 2024 annual report published on 31 December 2024 and up to the date of this interim report of the Company are set out below:

Name of Directors	Details of Change
Mr. Li Tao	He has resigned as a non-executive Director, and ceased to be a member of the Audit Committee and the Strategy and Development Committee of the Board with effect from 23 January 2025.
Mr. Wang Xiaowu	He has been appointed as a non-executive Director and a member of the Audit Committee and the Strategy and Development Committee of the Board with effect from 23 January 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors during the six months ended 28 February 2025.

Having made specific enquiry with all Directors of the Company, it is confirmed that all Directors have complied with the required standard set out in the Model Code regarding securities transactions by the Directors throughout the six months ended 28 February 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the six months ended 28 February 2025. The Company holds no treasury shares as of the end of the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee of the Board has reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting. The Audit Committee of the Board has reviewed the Group's interim results and unaudited condensed consolidated financial statements for the six months ended 28 February 2025.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 28 February 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors	Position	Capacity/ Nature of Interest	Number of Shares/ Underlying Shares Held pursuant to Share Options	Approximate Percentage of Shareholding in the Company as at 28 February 2025 ⁽³⁾
Wang Huiwu ⁽¹⁾	Executive Director and Chief Executive Officer	Founder of a discretionary trust who can influence how the trustee exercises his/her discretion	3,717,553,240(L)	
		Beneficial interest	<u>170,772,000(L)</u>	
			3,888,325,240	47.27%
Zhang Bing	Non-executive Director and Chairman	Beneficial interest	5,001,484(L)	0.06%
Xu Changjun	Non-executive Director	Beneficial interest	5,000,000 ⁽²⁾ (L)	0.06%

(L) Long position

Notes:

- (1) As at 28 February 2025, Wang Huiwu (汪輝武) holds 100% interest in Maysunshine Trust Limited (Cantrust (Far East) Limited as trustee), Maysunshine Trust Limited holds 100% interest in Maysunshine Holdings Limited, Maysunshine Holdings Limited holds 94.95% interest in Maysunshine Limited, Maysunshine Limited holds 43.19% interest in Hope Education Investment Limited, and Hope Education Investment Limited holds 45.20% interest in the Company. Accordingly, Wang Huiwu (汪輝武) is deemed as holding interest in the Company through Hope Education Investment Limited.
- (2) These underlying shares represent the interests of share options (being regarded as unlisted physically settled equity derivatives) granted to each of the related grantees under the 2022 Share Option Scheme to subscribe for Shares.
- (3) As at 28 February 2025, the number of issued Shares was 8,224,974,706 Shares.

Save as disclosed above, as at 28 February 2025, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the share options granted to the Directors under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme, at no time during the six months ended 28 February 2025 was the Company, or its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporations.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

To the knowledge of any of the Directors or chief executives of the Company, as at 28 February 2025, the following persons (other than the Directors or chief executives of the Company) or corporations had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholders	Capacity/ Nature of Interest	Number of Shares Held	Approximate Percentage of Shareholding in the Company as at 28 February 2025 ⁽²⁾
Maysunshine Holdings Limited ⁽¹⁾	Interest in controlled corporation Beneficial owner	3,717,553,240(L) 89,609,414(L)	
		3,807,162,654	46.29%
Cantrust Far East Limited ⁽¹⁾	Trustee	3,807,162,654(L)	46.29%
Hope Education Investment Limited ⁽¹⁾	Beneficial owner	3,717,553,240(L)	45.20%
Maysunshine Limited ⁽¹⁾	Interest in controlled corporation	3,717,553,240(L)	45.20%
Tequ Group A Limited ⁽¹⁾	Interest in controlled corporation	3,717,553,240(L)	45.20%
Tequ Group (Hong Kong) Company Limited ⁽¹⁾	Interest in controlled corporation Beneficial interest	3,717,553,240(L) 42,242,703(L)	
		3,759,795,943	45.71%
Shanghai Yi Zeng Management Co., Ltd. (上海乙增管理有限公司) ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%
Sichuan Tequ Investment Group Limited (四川特驅投資集團有限公司) ("Sichuan Tequ Investment") ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%
Chengdu West Hope Group Limited (成都華西 希望集團有限公司) ("West Hope") ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%
Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司) ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%
Zhang Qiang (張強) ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%
Wang Degen (王德根) ⁽¹⁾	Interest of spouse	3,759,795,943(L)	45.71%
Chen Yuxin (陳育新) ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%
Zhao Guiqin (趙桂琴) ⁽¹⁾	Interest in controlled corporation	3,759,795,943(L)	45.71%

(L) Long position

Notes:

- (1) Hope Education Investment Limited, a BVI company, is owned as to 43.19% by Maysunshine Limited, 38.30% by Tequ Group A Limited and 18.51% by Tequ Group Limited.

Maysunshine Limited is owned as to 94.95% by Maysunshine Holdings Limited, which is in turn 100% held by Wang Huiwu (汪輝武) Family Trust (Cantrust Far East Limited as trustee of the trust).

Thus, Maysunshine Limited, Tequ Group A Limited and Maysunshine Holdings Limited are deemed to be interested in 3,717,553,240 Shares of long position.

Tequ Group A Limited is a wholly-owned subsidiary of Tequ Group (Hong Kong) Company Limited. Tequ Group (Hong Kong) Company Limited is wholly owned by Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司). Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司) is wholly owned by Sichuan Tequ Investment, which is in turn owned as to 33% by West Hope, 40.09% by Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司) and 26.91% by Sichuan Desheng Ronghe Industrial Group Co., Ltd (四川德盛榮和實業集團有限公司). West Hope is owned as to 60% by Chen Yuxin (陳育新) and 40% by Zhao Guiqin (趙桂琴). Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are spouses. Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司) is owned as to 52.20% by Zhang Qiang (張強). Wang Degen (王德根) and Zhang Qiang (張強) are spouses.

Thus, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司), Sichuan Tequ Investment, West Hope, Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司), Zhang Qiang (張強), Wang Degen (王德根), Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are deemed to be interested in 3,759,795,943 Shares of long position.

- (2) As at 28 February 2025, the number of issued Shares was 8,224,974,706 Shares.

Save as disclosed above, as at 28 February 2025, the Directors or chief executives of the Company were not aware of any other person or corporation who has interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO.

2018 PRE-IPO SHARE OPTION SCHEME

As at 28 February 2025, the number of relevant Shares subject to outstanding options granted under the 2018 Pre-IPO Share Option Scheme was 230,287,254 Shares, representing approximately 2.8% of the issued share capital of the Company. As at 28 February 2025, our Company had granted pre-IPO share options to 321 participants under the 2018 Pre-IPO Share Option Scheme.

The following table discloses movements in the outstanding options granted to all grantees under the 2018 Pre-IPO Share Option Scheme:

Grantees	Number of share options				As at 28 February 2025	Date of grant	Exercise period	Exercise price per share option <i>HK\$</i> <i>per share</i>	Vesting period	Weighted average closing price of the Company's shares			At the exercise date of share options <i>HK\$</i> <i>per share</i>
	As at 1 September 2024	Granted during the period	Exercised during the period	Lapsed during the period						Price of the Company's share immediately before the grant date of share options <i>RMB</i> <i>per share</i>	Immediately before the exercise date <i>RMB</i> <i>per share</i>		
Employees (including Senior Management) and other grantees of 321 individuals	230,287,254	—	—	—	230,287,254	18 March 2018	From 2 February 2019 to 18 March 2038	0.68/1.07/1.30	From 18 March 2018 to 2 February 2019	—	—		—
Total	230,287,254	—	—		230,287,254					—	—		—

As at 28 February 2025, save as disclosed above, no share options were exercised, cancelled or lapsed under the 2018 Pre-IPO Share Option Scheme.

Note:

As at 1 September 2024 and 28 February 2025, no share option was available for grant under the 2018 Pre-IPO Share Option Scheme of the Company. Details of the 2018 Pre-IPO Share Option Scheme adopted by the Company on 18 March 2018 are set out in Note 25 to the condensed financial information of this report.

2022 SHARE OPTION SCHEME

The Company adopted the 2022 Share Option Scheme on 18 March 2022 to provide incentives or rewards to eligible participants for their past services or performance.

The following table discloses movements in the outstanding options granted to all grantees under the 2022 Share Option Scheme:

	Date of Grant	Vesting Date	Exercise Period	Granted/ Vested during the Reporting Period	Exercised during the Reporting Period	Share Options Cancelled during the Reporting Period	Share Options Lapsed during the Reporting Period	Exercise Price of Share HK\$ per Share	Number of Share Options Outstanding at 1 September 2024	Number of Share Options Outstanding at 28 February 2025
Directors/Substantial Shareholders of the Company										
Xu Changjun	11 May 2022	1 December 2022	during the period from 11 May 2023 to 30 November 2032	—	—	—	—	0.486	5,000,000	5,000,000
Tang Jianyuan	11 May 2022	1 December 2022	during the period from 11 May 2023 to 30 November 2032	—	—	—	5,000,000	0.486	5,000,000	—
	26 September 2023	26 September 2024	during the period from 26 September 2024 to 30 November 2032	—	—	—	15,000,000	0.493	15,000,000	—
Lou Qunwei	26 September 2023	26 September 2024	during the period from 26 September 2024 to 30 November 2032	—	—	—	—	0.493	10,000,000	10,000,000
Employees (non-connected persons)										
	11 May 2022	1 December 2022	during the period from 11 May 2023 to 30 November 2032	—	—	—	17,467,970	0.486	361,522,822	344,054,852
	26 September 2023	26 September 2024	during the period from 26 September 2024 to 30 November 2032	—	—	—	—	0.493	150,000,000	150,000,000
Total				—	—	—	37,467,970		546,522,822	509,054,852

Notes:

1. The validity period of share options granted on 11 May 2022 is from 1 December 2022 to 30 November 2032 (both days inclusive). No share options could be exercised before 10 May 2023. The closing price of the Shares on 10 May 2022 was HK\$0.455. As at 1 September 2024, the number of relevant Shares available for grant under the 2022 Share Option Scheme was 58,808,248 Shares. As at 28 February 2025, the number of relevant Shares available for grant under the 2022 Share Option Scheme was 96,276,218 Shares.
2. On 26 September 2023, the Company granted an aggregate of 190,000,000 share options to 18 eligible participants to exercise and subscribe for 190,000,000 ordinary Shares with nominal value of US\$0.00001 each in the share capital. For details, please refer to the announcements of the Company dated 26 September 2023 and 3 October 2023. The validity period of share options granted on 26 September 2023 is from the date of the grant to 30 November 2032 (both days inclusive). The closing price of the Shares on 25 September 2023 was HK\$0.490. The vesting of such share options is subject to the satisfaction of certain performance targets and other conditions as the Board at its sole discretion may have stipulated and which have been communicated to the grantees in writing. The performance targets are related to (i) financial parameters of the Group and (ii) individual performance indicators relevant to the grantees' roles and responsibilities. The average fair value of the options granted on 26 September 2023 was HK\$0.1448 per Share at the date of grant. Details of the valuation including the accounting standard and policy adopted are set out in Note 25 to the condensed financial information of this report.
3. Mr. Tang Jianyuan has resigned as a non-executive Director on 27 September 2024.
4. Ms. Lou Qunwei has resigned as an executive Director and a member of the Strategy and Development Committee of the Company with effect from 29 November 2024, but will continue to serve as senior vice president of the Company.
5. The number of Shares that may be issued in respect of options granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period was nil.

UPDATE OF THE GROUP TO ADDRESS THE DISCLAIMER OF OPINION

Reference is made to the section headed "Basis for Disclaimer of Opinion" set out in the Corporate Governance Report included in the 2024 annual report of the Company published on 31 December 2024, in which the Company's auditors expressed a disclaimer of opinion on the Company's financial statements relating to going concern (the "**Disclaimer of Opinion**"). The Directors would like to provide the following updates with regard to the various plans and measures implemented by the Group to enhance its liquidity and financial position:

- (i) Reference is also made to the announcement of the Company dated 7 March 2025. To effectively address the issue of the convertible bonds, safeguard the interest of all stakeholders, and strengthen the Group's sustainable operations, the Board has formed a special work group for the Bonds ("**Special Work Group**"). The Special Work Group comprises (i) Mr. Yang Wen, the chief financial officer, as group leader; and (ii) Mr. Tan Li, the joint company secretary and chief investment officer and Mr. Zhou Xing, the head of legal department, as members.

The Special Work Group has gathered comprehensive key information of the investors and in-depth understanding of their major concerns. Adhering to the principles of transparency and openness, the Special Work Group maintains frequent engagement with investors, promptly addressing inquiries and providing clarifications. Meanwhile, it collaborates with professional advisors to dynamically optimize the restructuring plan, with the aim to develop an optimal solution that balances the interests of all stakeholders, ensuring the steady implementation of the restructuring process of the Bonds.

- (ii) The Company has engaged in constructive and pragmatic discussions with the guarantor of the medium-term notes, which was issued by INTI Universal Holdings Sdn Bhd, a wholly-owned subsidiary of the Group, with aggregate principal amount of RM\$165,000,000 (equivalent to approximately RMB266,947,000) with a maturity date on 2 November 2028. The Group is currently fulfilling the relevant conditions as required and remains on track for completion by the third quarter of 2025.
- (iii) From February 2025 to the date of this report, the Group has entered into the following agreements in relation to disposals in order to generate additional cash inflows:

On 13 February 2025, the Company entered into an equity transfer agreement in relation to the disposal of 100% equity interest in Baiyin Mingde Education Co., Ltd.* (白銀明德教育有限責任公司). On 24 April 2025, the Company entered into an equity transfer agreement in relation to the disposal of 80% equity interest in Nanchang Dongmei Education Technology Co., Ltd.* (南昌東美教育科技有限公司). For further details, please refer to the Company's announcements dated 13 February 2025, 10 April 2025, 24 April 2025 and 19 May 2025.

- (iv) To finance the settlement of the existing financial obligations and future operating and capital expenditures, the Company has proactively expanded its financing channels and introduced new funds to address outstanding debt, and has engaged in active communication with existing banks to seek loan renewals and extensions. From September 2024 to February 2025, the Company obtained new credit facilities totaling RMB619 million and drew down RMB440 million in new borrowings.
- (v) The Company has adopted proactive measures to control administrative and capital expenditures, including strict internal approval processes for administrative expenses. The Company has also suspended and scaled down certain new projects while ensuring the normal operation of the existing campuses of the Company.

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

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	Notes	For the six months ended	
		28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
REVENUE	4	2,116,704	2,042,168
Cost of sales		(1,192,690)	(1,143,210)
Gross profit		924,014	898,958
Other income and gains	4	142,264	252,856
Selling expenses		(159,520)	(146,910)
Administrative expenses		(287,669)	(295,762)
Fair value loss on convertible bonds		(103,916)	(146,511)
Other expenses		(34,005)	(101,351)
Finance costs	5	(112,514)	(154,023)
Share of profit of a joint venture		—	26,958
PROFIT BEFORE TAX	6	368,654	334,215
Income tax expense	7	(60,716)	(94,505)
PROFIT FOR THE PERIOD		307,938	239,710
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(13,482)	(56,505)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		294,456	183,205
Profit attributable to:			
Owners of the Company		307,498	223,866
Non-controlling interests		440	15,844
		307,938	239,710
Total comprehensive income attributable to:			
Owners of the Company		293,984	166,060
Non-controlling interests		472	17,145
		294,456	183,205
Earnings per share attributable to ordinary equity holders of the Company:			
Basic	8	RMB0.037	RMB0.027
Diluted		RMB0.037	RMB0.027

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 FEBRUARY 2025

	Notes	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	9	11,255,816	11,603,331
Right-of-use assets	9	1,893,142	1,926,672
Interests in land held for property development	9	650,982	681,556
Other intangible assets	9	1,237,533	1,250,705
Investment properties		257,206	260,414
Goodwill	10	2,047,200	2,051,684
Prepayments, deposits and other receivables	13	607,998	430,281
Pledged and restricted deposits	14	12,733	7,520
Deferred tax assets		18,476	33,168
Financial assets at fair value through profit and loss	15	74,041	—
Contract costs		51,740	17,014
Total non-current assets		18,106,867	18,262,345
CURRENT ASSETS			
Trade receivables	12	51,271	83,683
Prepayments, deposits and other receivables	13	500,103	814,059
Amounts due from related parties	24(c)	6,658	4,817
Contract costs		50,295	23,373
Properties under development		37,220	—
Pledged and restricted deposits	14	51,942	543,935
Cash and cash equivalents	14	1,616,376	2,549,299
Assets classified as held for sale	11	296,593	—
Total current assets		2,610,458	4,019,166
CURRENT LIABILITIES			
Contract liabilities		1,741,124	2,267,792
Trade payables	16	19,861	57,286
Other payables and accruals	17	2,816,374	2,662,982
Deferred income	18	66,798	78,752
Lease liabilities		36,517	37,271
Convertible bonds	20	2,098,107	1,976,664
Interest-bearing bank and other borrowings	19	1,130,034	2,054,779
Amounts due to related parties	24(c)	20,586	67,175
Dividends payable		154	550
Tax payable		212,108	204,409
Liabilities directly associated with the assets classified as held for sale	11	95,409	—
Total current liabilities		8,237,072	9,407,660
NET CURRENT LIABILITIES	1	(5,626,614)	(5,388,494)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,480,253	12,873,851

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 FEBRUARY 2025

	Notes	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Restated)
NON-CURRENT LIABILITIES			
Other payables	17	388,942	809,818
Deferred income	18	1,433,134	1,511,201
Lease liabilities		85,722	96,553
Interest-bearing bank and other borrowings	19	999,109	1,182,582
Deferred tax liabilities		112,045	114,648
Contract liabilities		9,607	4,559
Total non-current liabilities		3,028,559	3,719,361
NET ASSETS		9,451,694	9,154,490
EQUITY			
Equity attributable to owners of the Company			
Issued capital	21	559	559
Reserves		9,447,706	9,150,974
Non-controlling interests		9,448,265 3,429	9,151,533 2,957
Total equity		9,451,694	9,154,490

Zhang Bing
Director

Wang Huiwu
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Issued capital RMB'000 (note 21)	Share premium* RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Share option reserve* RMB'000	Retained profits* RMB'000	Exchange fluctuation reserve* RMB'000			
As at 1 September 2024	559	5,131,685	598,468	796,971	171,768	2,422,490	29,592	9,151,533	2,957	9,154,490
Profit for the period	—	—	—	—	—	307,498	—	307,498	440	307,938
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(13,514)	(13,514)	32	(13,482)
Total comprehensive income for the period	—	—	—	—	—	307,498	(13,514)	293,984	472	294,456
Equity-settled share option arrangements	—	—	—	—	2,748	—	—	2,748	—	2,748
Transfer from retained profits	—	—	—	65,310	—	(65,310)	—	—	—	—
Transfer of share option reserve upon the forfeiture of share options	—	—	—	—	(6,767)	6,767	—	—	—	—
As at 28 February 2025 (unaudited)	559	5,131,685	598,468	862,281	167,749	2,671,445	16,078	9,448,265	3,429	9,451,694
As at 1 September 2023	559	5,131,685	598,468	666,496	136,986	1,937,186	(31,915)	8,439,465	269	8,439,734
Profit for the period	—	—	—	—	—	223,866	—	223,866	15,844	239,710
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(57,806)	(57,806)	1,301	(56,505)
Total comprehensive income for the period	—	—	—	—	—	223,866	(57,806)	166,060	17,145	183,205
Equity-settled share option arrangements	—	—	—	—	12,630	—	—	12,630	—	12,630
Transfer from retained profits	—	—	—	41,904	—	(41,904)	—	—	—	—
As at 29 February 2024 (unaudited)	559	5,131,685	598,468	708,400	149,616	2,119,148	(89,721)	8,618,155	17,414	8,635,569

* These reserve accounts comprise the consolidated reserves of RMB9,447,706,000 in the consolidated statement of financial position as at 28 February 2025 (31 August 2024: RMB9,150,974,000).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

		For the six months ended	
	Notes	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit before tax		368,654	334,215
Adjustments for:			
Depreciation of items of property, plant and equipment	9	231,200	224,646
Depreciation of right-of-use assets	9	36,769	35,632
Depreciation of land held for property development	9	4,523	6,548
Depreciation of investment properties		2,446	2,766
Amortisation of other intangible assets	9	21,412	21,876
Amortisation of contract costs		27,055	9,018
Deferred income released to profit or loss		(48,102)	(37,619)
Interest income		(22,196)	(14,691)
Finance costs		112,514	154,023
Losses/(gains) on disposal of items of property, plant and equipment and right-of-use assets, net		3,274	(10,024)
Gains on termination of leases		(228)	—
Loss/(gain) on disposal of subsidiaries		1,957	(93,253)
Provision for/(reversal of) impairment losses on financial assets		(2,960)	6,663
Share of profit of a joint venture		—	(26,958)
Fair value loss on convertible bonds		103,916	146,511
Foreign exchange loss/(gain), net		20,909	(18,724)
Equity-settled share option expense		2,748	12,630
Impairment losses on assets classified as held for sale		—	86,261
		863,891	839,520
Decrease in prepayments, deposits and other receivables		124,640	20,836
Decrease in trade receivables		31,095	37,521
Increase in contract costs		(90,271)	(18,506)
Increase in properties under development		(11,169)	—
Decrease/(increase) in amounts due from related parties		(1,841)	13,415
Decrease in contract liabilities		(494,401)	(544,174)
Increase/(decrease) in trade payables		(36,927)	9,004
Increase in amounts due to related parties		1,963	15,684
Withdrawal/(placement) of restricted cash		23,545	(37,387)
Decrease in other payables and accruals		(129,187)	(341,569)
Receipt of government grants related to expense items		5,111	1,945
Cash generated from/(used in) operations		286,449	(3,711)
Bank interest received		17,175	12,909
Income tax paid		(32,408)	(61,289)
Net cash flows from/(used in) operating activities		271,216	(52,091)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(639,117)	(606,176)
Prepaid land lease payments	—	(34,900)
Additions to other intangible assets	(8,221)	(43,475)
Proceeds from disposal of items of property, plant and equipment, other intangible assets and right-of-use assets	1,821	123,288
Equity investments:		
Payments for acquisition of subsidiaries in prior years	—	(822)
Disposal of subsidiaries	—	(12,270)
Amounts received from the acquirer of the disposed subsidiaries	—	98,039
Advance received from disposal of subsidiaries	110,000	—
Proceeds from disposal of a subsidiary in the prior year	56,043	—
Proceeds from disposal of investment in a joint venture	—	50,000
Purchase of equity investment measured at fair value through profit or loss	(66,781)	—
Decrease/(increase) in amounts due from related parties:		
Loans repaid by a joint venture	—	13,575
Interest income received from a joint venture	—	361
Loans provided to an independent third party	—	(15,000)
Receipt of government grants for property, plant and equipment	148	12,963
Repayment of prepaid land lease payment	—	6,654
Loans and interest repaid by third parties	75,880	25,992
Net cash flows used in investing activities	(470,227)	(381,771)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	440,035	2,029,148
Repayment of bank and other borrowings	(1,504,855)	(1,740,540)
Interest paid	(111,882)	(95,194)
Principal portion of lease payments	(14,913)	(13,470)
Interest portion of the lease liabilities	(4,053)	(4,793)
Receipts of loan deposits	52,400	1,300
Security deposits paid for other borrowings	—	(13,270)
Repayment to related parties	—	(514)
Loans from third parties	15,390	—
Repayment of other loans recorded in other payables	(45,733)	(14,654)
Dividends paid	(396)	—
Withdrawal/(placement) of restricted deposits	463,259	(11,806)
Net cash flows from/(used in) financing activities	(710,748)	136,207

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(909,759)	(297,655)
Cash and cash equivalents at beginning of the period	2,549,299	2,878,114
Effect of foreign exchange rate changes, net	(10,002)	(15,191)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,629,538	2,565,268
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position (note 14)	1,616,376	2,565,233
Cash attributable to the subsidiaries classified as held for sale (note 11)	13,162	35
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	1,629,538	2,565,268

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

1. BASIS OF PREPARATION

The interim condensed financial information for the six months ended 28 February 2025 (the “Period”) has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed 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.

The interim condensed financial information has not been audited by the Company’s auditor, but has been reviewed by the Audit Committee of the Company.

Going concern

As at 28 February 2025, (i) the Group recorded net current liabilities of approximately RMB5,626,614,000; (ii) the Group’s total interest-bearing bank and other borrowings amounted to RMB2,129,143,000, out of which RMB1,130,034,000 will be due for repayment within the next twelve months; (iii) the Group’s convertible bonds (the “Bonds”), which were measured at fair value through profit or loss, amounting to RMB2,098,107,000 will be due on 2 March 2026, and the Group needs to redeem the convertible bonds at 105.11 per cent of the principal amount once due, with a remaining outstanding amount of US\$331,202,000 (equivalent to approximately RMB2,375,974,000); while (iv) the Group’s cash and cash equivalents amounted to RMB1,616,376,000.

The above conditions indicate the existence of material uncertainties which cast significant doubt on the Group’s ability to continue as a going concern. In view of such circumstances, the Directors have undertaken a number of plans and measures to improve the Group’s liquidity and financial position, including the following:

- (i) The Group will continue to explore a restructuring of the Bonds to secure the sustainable operations of the Group for the benefit of all of its stakeholders;
- (ii) The Group will continue to satisfy the requirements and negotiate with the guarantor of the medium term notes, which was issued by INTI Universal Holdings Sdn Bhd, a wholly-owned subsidiary of the Group, with aggregate principal amount of RM\$165,000,000 (equivalent to approximately RMB266,947,000) with a maturity date on 2 November 2028, to avoid the acceleration of repayment;
- (iii) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain subsidiaries in order to generate additional cash inflows;
- (iv) The Group has been actively seeking other alternative financing and borrowings to finance the settlement of the existing financial obligations and future operating and capital expenditures; and
- (v) The Group will continue to take active measures to control administrative costs and capital expenditures and negotiate with the vendors to manage payment schedules.

1. BASIS OF PREPARATION *(continued)*

Going concern *(continued)*

The Directors have reviewed the Group's cash flow projections prepared by management which cover a period of eighteen months from 28 February 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the interim condensed financial information of the Group for the period ended 28 February 2025 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to implement the aforementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the following:

- (i) successfully complete the holistic restructuring of the Bonds before the maturity date on 2 March 2026;
- (ii) successfully satisfy the requirements of the guarantor of the medium term notes;
- (iii) successfully dispose of the Group's equity interests in certain subsidiaries when suitable; and
- (iv) successfully obtain additional new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed financial information.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed 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, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period's financial information.

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

The nature and impact of the revised IFRS Accounting standards are described below:

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

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

(b) *(continued)*

The Group has reassessed the terms and conditions of its liabilities as at 1 September 2023 and 2024 upon initial application of the amendments. As at 1 September 2023 and 2024, the Group had outstanding convertible bonds with carrying amounts of RMB2,183,887,000 and RMB1,976,664,000, respectively, with the maturity date of 2 March 2026. As at 1 September 2023, the Group classified the convertible bonds as current liabilities as the convertible bonds are redeemable at the option of the bondholders on 2 March 2024. Prior to the initial application of the amendments, the convertible bonds were classified as non-current liabilities as at 1 September 2024 as the Early Redemption Option had not been properly exercised by bondholders on 2 March 2024. Upon initial application of the amendments, the convertible bonds were reclassified as current liabilities since the conversion option was not classified as equity and is exercisable on or after 12 April 2021 to the close of business on the seventh day prior to the maturity date of 2 March 2026 at the bondholders' options. The quantitative impact on the interim condensed consolidated statements of financial position is summarised below:

	Increase/(decrease)	
	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
CURRENT LIABILITIES		
Convertible bonds	2,098,107	1,976,664
Total current liabilities	2,098,107	1,976,664
NET CURRENT LIABILITIES	2,098,107	1,976,664
TOTAL ASSETS LESS CURRENT LIABILITIES	(2,098,107)	(1,976,664)
NON-CURRENT LIABILITIES		
Convertible bonds	(2,098,107)	(1,976,664)
Total non-current liabilities	(2,098,107)	(1,976,664)

The adoption of the amendments did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, profit or loss, other comprehensive income and the interim consolidated statements of cash flows for the six months ended 28 February 2025 and 29 February 2024.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed financial information.

3. OPERATING SEGMENT INFORMATION

For the six months ended 28 February 2025

	Domestic education RMB'000 (Unaudited)	Global education RMB'000 (Unaudited)	Other RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 4)				
Revenue from external customers	1,854,513	262,191	—	2,116,704
Intersegment sales	—	30,962	—	30,962
Total segment revenue	1,854,513	293,153	—	2,147,666
<i>Reconciliation:</i>				
Elimination of intersegment sales				(30,962)
Revenue from external customers				2,116,704
Segment results	578,668	28,924	(11,089)	596,503
<i>Reconciliation:</i>				
Interest income				22,196
Foreign exchange differences, net				(20,909)
Fair value change on convertible bonds				(103,916)
Non-lease-related finance costs				(108,461)
Unallocated corporate expenses				(16,759)
Profit before tax				368,654

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 29 February 2024

	Domestic education RMB'000 (Unaudited)	Global education RMB'000 (Unaudited)	Other RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 4)				
Revenue from external customers	1,843,674	198,494	—	2,042,168
Intersegment sales	—	24,467	—	24,467
Total segment revenue	1,843,674	222,961	—	2,066,635
<i>Reconciliation:</i>				
Elimination of intersegment sales				(24,467)
Revenue from external customers				2,042,168
Segment results	593,220	30,230	(12,179)	611,271
<i>Reconciliation:</i>				
Interest income				14,691
Foreign exchange differences, net				18,724
Fair value change on convertible bonds				(146,511)
Non-lease-related finance costs				(149,230)
Unallocated corporate expenses				(14,730)
Profit before tax				334,215

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

The following table presents information of assets and liabilities of the Group's operating segments as at 28 February 2025 and 31 August 2024:

	Domestic education RMB'000	Global education RMB'000	Other RMB'000	Total RMB'000
Segment assets				
28 February 2025 (Unaudited)	16,567,337	1,681,872	917,511	19,166,720
31 August 2024	16,696,701	1,649,525	908,133	19,254,359
Segment liabilities				
28 February 2025 (Unaudited)	6,488,714	675,695	4,418	7,168,827
31 August 2024	7,401,630	583,715	1,253	7,986,598

4. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Revenue from contracts with customers	2,116,704	2,042,168

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

4. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue *(continued)*

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 28 February 2025

Segments	Domestic education RMB'000 (Unaudited)	Global education RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Tuition fees	1,639,743	250,138	1,889,881
Boarding fees	156,321	6,448	162,769
Sales of books and daily necessities	29,489	—	29,489
Others	28,960	5,605	34,565
Total	1,854,513	262,191	2,116,704
Timing of revenue recognition			
Services transferred over time	1,825,024	262,191	2,087,215
Goods transferred at a point in time	29,489	—	29,489
Total	1,854,513	262,191	2,116,704

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

4. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue *(continued)*

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 29 February 2024

Segments	Domestic education RMB'000 (Unaudited)	Global education RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Tuition fees	1,601,108	174,385	1,775,493
Boarding fees	146,052	5,069	151,121
Sales of books and daily necessities	45,109	—	45,109
Others	51,405	19,040	70,445
Total	1,843,674	198,494	2,042,168
Timing of revenue recognition			
Services transferred over time	1,798,565	198,494	1,997,059
Goods transferred at a point in time	45,109	—	45,109
Total	1,843,674	198,494	2,042,168

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

4. REVENUE, OTHER INCOME AND GAINS *(continued)*

Other income and gains

An analysis of other income and gains is as follows:

	Notes	For the six months ended	
		28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Other income			
Bank interest income		17,175	12,909
Interest income from loans to a related party		—	56
Earned finance income		5,021	1,726
Total interest income		22,196	14,691
Deferred income released to profit or loss:			
— related to assets	18	33,183	27,258
— related to expenses	18	14,919	10,361
Government grants received		3,760	7,645
Service income		36,744	44,734
Others		31,446	24,159
Total other income		142,248	128,848
Gains			
Gains on disposal of items of property, plant and equipment and right-of-use assets, net		16	12,031
Gain on disposal of subsidiaries		—	93,253
Gain on exchange differences, net		—	18,724
Total gains		16	124,008
Total other income and gains		142,264	252,856

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

5. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Interest on bank loans and other borrowings	92,847	135,686
Less: Interest capitalised	(6,372)	(9,258)
Interest on lease liabilities	4,053	4,793
Unwinding of discount on payables	21,986	22,802
Total	112,514	154,023
Capitalisation rate of borrowing costs capitalised	6.99%	7.98%

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Cost of services provided	1,192,690	1,143,210
Management fees*	69,228	63,227
Equity-settled share option expense	2,748	12,630
Provision/(reversal) of impairment losses on financial assets	(2,960)	6,663
Impairment losses on assets classified as held for sale	—	86,261
Fair value loss on convertible bonds	103,916	146,511

* During the Period and the six months ended 29 February 2024, management fees represented the annual fees payable to the relevant universities into which the Group had entered cooperation agreements to operate independent colleges. Management fees are charged based on a certain percentage of tuition fees received or receivable by the Group.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

7. INCOME TAX

The major components of income tax expense of the Group for the Period and for the six months ended 29 February 2024 are as follows:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Current — Chinese Mainland	33,579	94,955
Current — Elsewhere	13,287	5,009
Deferred	13,850	(5,459)
Total tax charged for the period	60,716	94,505

The Company is not subject to income tax from the business carried out in the Cayman Islands.

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 and the six months ended 29 February 2024.

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

On 14 May 2021, the State Council released the Implementation Rules for the Law for Promoting Private Education of the People’s Republic of China (the “PRC”) (《中華人民共和國民辦教育促進法實施條例》) with an effective date of 1 September 2021 (the “2021 Implementation Rules”). The 2021 Implementation Rules are the detailed implementation rules of the Law for Promoting Private Education of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under neither the 2016 Decision nor the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

As at the date of approval of the interim condensed financial information, except for five schools which were registered as non-profit private schools, the PRC Schools are in the process of classification registrations and remain as private non-enterprise units.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

7. INCOME TAX *(continued)*

Considering that the relevant taxation policy on schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remains unchanged and no further new and specific tax implementation regulations have been announced, if the school nature has not yet been changed, the PRC Schools did not pay corporate income tax for the income from formal educational services and have enjoyed the preferential tax treatments during the Period. Following the completion of the registration of the PRC Schools as for-profit private schools, the PRC Schools may be subject to PRC corporate income tax at a rate of 25% in respect of income from the provision of formal educational services, if they do not enjoy any preferential tax treatment.

According to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies, certain subsidiaries that are located in Sichuan Province and engaged in the encouraged business are entitled to a preferential CIT rate of 15%. Certain subsidiaries that were established in Horgos, Xinjiang Autonomous Region are exempted from income tax for the first five years after they have obtained their first production and operation income, in accordance with the preferential tax rules.

All of the Group's non-school subsidiaries established in the PRC were subject to PRC corporate income tax at a rate of 25% during the Period, except those subsidiaries which are mentioned above.

Subsidiaries incorporated in Malaysia were subject to corporate income tax at a rate of 24% during the Period.

Non-school subsidiaries incorporated in Thailand were subject to corporate income tax at a rate of 20% and the school incorporated in Thailand was exempted from corporate income tax during the Period.

Subsidiaries incorporated in Hungary were subject to corporate income tax at a rate of 9% during the Period.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

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

The calculations of the basic and diluted earnings per share attributable to ordinary equity holders of the Company are based on the following data:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	307,498	223,866

Number of shares

	Note	For the six months ended	
		28 February 2025 (Unaudited)	29 February 2024 (Unaudited)
Shares			
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	(i)	8,224,974,706	8,224,974,706

Notes:

- (i) The weighted average number of 8,224,974,706 ordinary shares was the ordinary shares in issue during the Period (six months ended 29 February 2024: 8,224,974,706 ordinary shares in issue).
- (ii) No adjustment has been made to the basic earnings per share amount presented for the Period in respect of a dilution for the share options under the 2018 Pre-IPO Share Option Scheme and 2022 Share Option Scheme as the exercise prices were higher than the average market price of the Company during the Period.
- (iii) When taking convertible bonds into account in the calculation of diluted earnings per share, the profit attributable to ordinary equity holders of the Company would increase by RMB121,443,000 (six months ended 29 February 2024: RMB122,503,000) and the weighted average number of ordinary shares would increase by 634,545,925 (six months ended 29 February 2024: 634,545,925). Therefore, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the Period and the six months ended 29 February 2024 and were ignored in the calculation of diluted earnings per share.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

9. INTERESTS IN LAND HELD FOR PROPERTY DEVELOPMENT, PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

	Interests in land held for property development	Property, plant and equipment	Other intangible assets	Right-of-use assets
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(note (a))	(note (b))	(note (c))	
Carrying amounts at 1 September 2024	681,556	11,603,331	1,250,705	1,926,672
Additions	—	168,483	11,355	12,286
Disposals	—	(5,072)	(6)	—
Transferred to assets held for sale (note 11)	—	(273,779)	—	—
Transferred to properties under development	(26,051)	—	—	—
Lease termination	—	—	—	(8,216)
Adjustment due to lease modification	—	—	—	865
Depreciation/amortisation charged to profit or loss for the Period	(4,523)	(231,200)	(21,412)	(36,769)
Exchange realignment	—	(5,947)	(3,109)	(1,696)
Carrying amounts at 28 February 2025	650,982	11,255,816	1,237,533	1,893,142

Notes:

- (a) The Group's interests in land use rights for property development are in respect of prepayments for the rights to use certain pieces of land situated in Chinese Mainland over fixed periods and held under leases with terms of 40 to 70 years.
- (b) As at 28 February 2025, the Group has been in the customary process of obtaining the relevant property ownership certificates for certain buildings with an aggregate net carrying amount of approximately RMB1,718,968,000 (31 August 2024: RMB1,922,693,000). The Group's buildings can only be sold, transferred or mortgaged when the relevant certificates have been obtained.
- (c) As at 28 February 2025, management concluded that there was no impairment indicator of trade name with indefinite useful life with a net carrying amount of RMB154,991,000 and thus no impairment test was performed with details in note 10.
- (d) As at 28 February 2025, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB213,882,000 (31 August 2024: RMB180,702,000) were pledged to secure the bank loans granted to the Group (note 19(a)).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

10. GOODWILL AND INTANGIBLE ASSET WITH AN INDEFINITE USEFUL LIFE

	Intangible asset with an indefinite useful life RMB'000 (Unaudited)	Goodwill RMB'000 (Unaudited)
Cost and net carrying amount at 1 September 2024	158,078	2,051,684
Exchange realignment	(3,087)	(4,484)
Cost and net carrying amount at 28 February 2025	154,991	2,047,200

The Group performed its annual impairment testing as at each 31 August and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible asset with an indefinite useful life is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash-generating units were disclosed in the annual consolidated financial statements for the year ended 31 August 2024. During the Period, in the opinion of management, there were no significant adverse changes in the operating results and macro environment for the education business in Chinese Mainland, Malaysia and Hungary. And management concluded that there was no impairment indicator of goodwill and intangible asset with an indefinite useful life as at 28 February 2025. Accordingly, management did not perform impairment testing on goodwill and intangible asset with an indefinite useful life as at 28 February 2025.

11. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

Assets/liabilities of disposal groups classified as held for sale consisted of:

	28 February 2025 RMB'000 (Unaudited)
Property, plant and equipment	273,779
Cash and bank balances	13,162
Prepayments and other receivables	8,634
Trade receivables	1,018
Total assets of disposal groups classified as held for sale	296,593
Contract liabilities	25,877
Other payables and accruals	22,354
Deferred income	47,178
Total liabilities of disposal groups classified as held for sale	95,409

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

11. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE *(continued)*

On 13 February 2025, the Group entered into an equity transfer agreement to dispose of its entire interests in Baiyin Mingde Education Co., Ltd. ("Baiyin Mingde"), which holds a 100% sponsor right in Baiyin Hope Vocational and Technical College ("Baiyin College") engaging in the provision of higher education services (the major operation of the Group), to an independent third party for a total consideration of RMB309,890,000, subject to an adjustment of the loans which the Group provided to Baiyin Mingde and Baiyin College. As at 28 February 2025, Baiyin Mingde and Baiyin College were classified as disposal groups held for sale as the disposal was in progress and expected to be completed within one year.

12. TRADE RECEIVABLES

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

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Within 3 months	22,173	44,426
Over 3 months	29,098	39,257
Total	51,271	83,683

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Current portion:			
Loans to third parties, interest receivables included	(a)	382,149	458,029
Cash in transit		1,414	96,198
Deferred operating expenses		65,220	90,560
Deposits		47,259	114,227
Staff advances		29,673	22,657
Loans to the government		23,641	18,641
Rental receivables from third parties		20,840	21,296
Receivables arising from the disposal of subsidiaries		113,158	160,633
Receivables arising from the disposal of items of property, plant and equipment and right-of-use assets		20,000	20,000
Other receivables		47,683	65,712
		751,037	1,067,953
Impairment allowance	(a)/(b)	(250,934)	(253,894)
Subtotal		500,103	814,059
Non-current portion:			
Prepayments for property, plant and equipment		317,824	108,945
Prepayments for intangible assets		1,478	2,840
Deferred operating expenses		21,848	37,057
Prepayments for land lease payments		36,419	36,419
Prepayment for an equity investment		—	7,260
Deposits		14,685	16,511
Receivables arising from the disposal of subsidiaries		215,744	221,249
Subtotal		607,998	430,281
Total		1,108,101	1,244,340

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes:

(a) Loans to third parties and interest receivables from third parties consisted of:

	Notes	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Guixi Property:	(i)		
Principal		243,800	319,680
Less: impairment allowance		(204,424)	(204,424)
Subtotal		39,376	115,256
Zhongsheng Real Estate:	(ii)		
Principal		107,000	107,000
Interest receivables		31,349	31,349
Less: impairment allowance		(37,846)	(37,846)
Subtotal		100,503	100,503
Total		139,879	215,759

- (i) Loans to Chengdu Wuhou Guixi Property Development Company Limited ("Guixi Property"), a company controlled by the previous ultimate shareholder of Sichuan TOP IT Vocational Institute, bear interest at a fixed rate of 7.5% per annum. The loans are secured by the pledge of buildings and certain car parks (the "Collaterals") belonging to Guixi Property. Meanwhile, the Group requested property preservation on a 40% equity interests held by Guixi Property and a receivable from the disposal of a sponsor rights of a hospital (the "Preserved Properties"), which had been passed by the people's court.

During the Period, parts of the Collaterals had been auctioned and the proceeds from the disposal of the Collaterals had been used to repay the principal due from Guixi Property. And the Group had received the proceeds during the Period from the disposal of the 40% equity interests held by Guixi Property, which had been auctioned in August 2024.

As at 28 February 2025, after considering the repayment of the loans through the proceeds from the auction, the remaining principal of RMB243,800,000 has been past due. The Group had recognised an impairment allowance amounting to RMB204,424,000 as at 28 February 2025 (31 August 2024: RMB204,424,000).

The Group has taken actions in recovering the principal through the Collaterals and the Preserved Properties.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

- (a) Loans to third parties and interest receivables from third parties consisted of: *(continued)*
- (ii) The balance represented loans to Chongqing Zhongsheng Real Estate Development Co. Ltd. ("Zhongsheng Real Estate"), a former subsidiary of the Group, which bears interest at a fixed rate of 8% per annum. The loan and interest receivable are secured by 100% equity interests in Zhongsheng Real Estate. The Group had recognised an impairment allowance amounting to RMB37,846,000 as at 28 February 2025 (31 August 2024: RMB37,846,000).
- (b) In addition to the impairment allowance in (a), an impairment allowance amounting to RMB8,664,000 (31 August 2024: RMB11,624,000) is related to the non-recovery of the deposits and other receivables.

Except as disclosed above, all the receivables are interest-free, are not secured with collateral and have no recent history of default.

14. CASH AND CASH EQUIVALENTS

	Note	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Cash and bank balances		1,681,051	3,100,754
Less:			
Pledged deposits for other borrowings — current	19(a)	(32,424)	(495,659)
Restricted bank balance in escrow accounts			
Current		(19,313)	(29,719)
Non-current		(12,733)	(7,520)
Other restricted bank balances — current		(205)	(18,557)
Total pledged and restricted deposits		(64,675)	(551,455)
Cash and cash equivalents		1,616,376	2,549,299

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

14. CASH AND CASH EQUIVALENTS *(continued)*

The cash and bank balances were denominated in the following currencies:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
RMB	1,073,159	2,559,310
Hong Kong Dollar ("HK\$")	50	14,053
Malaysian Ringgit ("RM")	461,711	436,376
United States Dollar ("US\$")	115	101
Thailand Baht ("THB")	127,825	82,291
Euro ("EUR")	16,832	8,156
Hungarian Forint ("HUF")	1,359	467
Cash and bank balances	1,681,051	3,100,754

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	28 February 2025 RMB'000 (Unaudited)
Equity investment, at fair value	74,041

During the Period, the Group acquired 40% equity interest in Sichuan Huaxin Huikang Health Management Co., Ltd. ("Huaxin Huikang") through judicial auction. The principal activity of Huaxin Huikang is the management of assets. The Group recognised the investment as a financial instrument and classified it as financial assets at fair value through profit or loss since the Group has not had seat on the board of directors of Huaxin Huikang up to 28 February 2025.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

16. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Period, based on the invoice date, is as follows:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Within 3 months	10,928	26,252
Over 3 months	8,933	31,034
Total	19,861	57,286

The trade payables are non-interest-bearing and are normally settled on terms of one to ten months.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

17. OTHER PAYABLES AND ACCRUALS

	Note	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Current portion:			
Payables for purchase of property, plant and equipment		445,619	664,118
Payables for acquisitions of equity interests		471,332	471,332
Miscellaneous advances received from students		155,178	228,221
Accrued bonuses and other employee benefits		195,025	194,382
Government scholarship		135,420	236,173
Payables for purchase of teaching materials and operating expenditure		46,693	28,590
Payables for management fees		82,663	43,496
Rental payable		47,099	47,133
Deposits payable		60,339	61,589
Other taxes payable		66,648	77,025
Other payables and accrued expenses		296,737	290,102
Loans from third parties	(a)	89,975	124,387
Construction loan from the Mianzhu Education Bureau		75,832	75,832
Payables for conversion of certain independent colleges into fully private colleges		134,760	80,682
Liability of a put option granted to a shareholder		363,134	—
Advances received for disposal of subsidiaries		110,000	—
Payable for land lease payments		39,920	39,920
Subtotal		2,816,374	2,662,982
Non-current portion:			
Payables for conversion of certain independent colleges into fully private colleges		381,308	449,283
Liability of a put option granted to a non-controlling shareholder		—	352,605
Other payables		7,634	7,930
Subtotal		388,942	809,818
Total		3,205,316	3,472,800

Note:

- (a) As at 28 February 2025, loans from third parties bore interest at an interest rate ranging from 6% to 15% per annum, of which RMB15,000,000 were secured by a former shareholder of Shaanxi University, and RMB50,000,000 were jointly secured by Mr. Wang Huiwu and a former shareholder of Shaanxi University.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

18. DEFERRED INCOME

	Government grants related to expense items RMB'000 (Unaudited)	Government grants related to assets RMB'000 (Unaudited)
At 1 September 2024	39,314	1,550,639
Government grants received	5,111	148
Classified as held for sale (note 11)	—	(47,178)
Released to profit or loss (note 4)	(14,919)	(33,183)
At 28 February 2025	29,506	1,470,426
<i>Current</i>	29,506	37,292
<i>Non-current</i>	—	1,433,134

Deferred income related to assets mainly represents the government grants received for subsidies relating to the construction of certain buildings. These grants related to assets are released to profit or loss as other income over the expected useful lives of the relevant assets.

Deferred income related to expense items refers to government grants received for the purpose of subsidising teaching-related operating costs incurred during the provision of education services. Upon completion of the operating activities, the grants would be released to profit or loss as other income on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	28 February 2025			31 August 2024		
	Effective interest rate (%) (Unaudited)	Maturity (Unaudited)	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	3.40–7.00	2025–2026	239,800	3.80–7.00	2024–2025	490,600
Bank loans — unsecured	3.10	2026	9,089	—	—	—
Current portion of:						
— long term bank loans	4.50–5.90	2025–2026	100,200	4.80–6.84	2024–2025	19,898
— secured						
— medium term notes	5.30	On Demand	266,463	5.30	On Demand	271,366
— secured*						
— other borrowings	6.58–10.03	2025–2026	514,482	6.58–10.67	2024–2025	1,272,915
— secured						
Total — current			1,130,034			2,054,779
Non-current						
Bank loans — secured	2.50–5.50	2026–2029	443,600	4.80–6.84	2025–2027	272,255
Other borrowings	6.58–9.38	2026–2028	555,509	6.58–10.67	2025–2028	910,327
— secured						
Total — non-current			999,109			1,182,582
Total			2,129,143			3,237,361

Notes:

- * As at 28 February 2025, the Group's medium term notes of RMB266,463,000 became immediately repayable if requested by the guarantor due the failure to satisfy the requirements of Environmental and Social Safeguards Corrective Action Plan approved by the guarantor.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

19. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

The Group's bank and other borrowings are denominated in the following currencies:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
RMB	1,862,680	2,965,995
RM	266,463	271,366
Bank and other borrowings	2,129,143	3,237,361

The Group's bank loans and other borrowings are secured by:

(a) Mortgages over the following assets:

- (i) Certain of the Group's non-current assets are pledged for bank loans of RMB772,744,000 as at 28 February 2025 (31 August 2024: RMB1,031,005,000):

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
<i>Net book amount of:</i>		
Property, plant and equipment (note 9(d))	213,882	180,702
Investment properties	201,805	203,921
Total	415,687	384,623

- (ii) Buildings of a third party:

As at 28 February 2025, the buildings owned by Zhongsheng Real Estate were pledged for the bank loan of the Group amounting to RMB5,000,000 (31 August 2024: Nil).

- (iii) Deposits amounting to RMB12,700,000 (note 14) were set aside as security for the payment of an one-year interest payable arising from the medium term notes of the Group amounting to RMB266,463,000 (31 August 2024: RMB271,366,000).

Deposits amounting to RMB19,824,000 (note 14) were set aside as security for the repayment of the interest of the Group's asset-backed notes amounting to RMB757,944,000 (31 August 2024: RMB1,026,105,000).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

19. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

- (b) Pledges of equity interests in the following subsidiaries to secure the bank loans granted to the Group:
- (i) 100% of the equity interest in Sichuan Guojian Investment Limited, the guarantee granted by the Company, and the rights over tuition fees of Southwest Jiaotong University Hope College have been provided or pledged to Yunnan International Trust Co., Ltd. in relation to the Group's asset-backed notes of RMB340,588,000 as at 28 February 2025 (31 August 2024: RMB519,867,000).
 - (ii) 100% of the equity interest in Sichuan TOP Education Co., Ltd., the guarantee granted by the Company, and the rights over tuition fees of Sichuan TOP IT Vocational Institute have been provided or pledged to Yunnan International Trust Co., Ltd. in relation to the Group's asset-backed notes of RMB417,356,000 as at 28 February 2025 (31 August 2024: RMB506,237,000).
 - (iii) 80% of the equity interest in Guangxi Guilin Yijia Education Management Co., Ltd. has been pledged for bank loans of RMB29,500,000 as at 28 February 2025 (31 August 2024: RMB30,000,000).
 - (iv) 100% of the equity interest in Ningxia Youshuo Education Consulting Co., Ltd. and Ningxia Yinrong Education Consulting Co., Ltd. have been pledged for bank loans of RMB250,000,000 as at 28 February 2025 (31 August 2024: Nil).
 - (v) 100% of the equity interest in Chongqing Mingrui Xincheng Education Information Consulting Co., Ltd. has been pledged for bank loans of RMB10,000,000 as at 28 February 2025 (31 August 2024: Nil).
- (c) The rights over tuition or boarding fees of the following schools:

	Loan amount	
	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Southwest Jiaotong University Hope College	340,588	519,867
Shaanxi University	104,000	104,500
Sichuan Tianyi College	—	90,000
Sichuan TOP IT Vocational Institute	417,356	506,237
Guizhou Applied Technology Technician College	9,000	9,000
Chongqing Digital Industry Polytechnic College	10,000	—
Yinchuan University of Energy and Yinchuan Vocational School of Science and Technology	300,000	—
Sichuan Hope Automotive Vocational College and Sichuan Hope Automotive Technician College	—	170,000
Total	1,180,944	1,399,604

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

19. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

In addition, certain of the Group's bank and other borrowings are guaranteed by the following parties:

	Loan amount	
	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Related parties' guarantee		
— Mr. Wang Huiwu	518,352	1,107,575
Former shareholder's guarantee		
— Shaanxi University	173,865	154,051
Related party's and former shareholder's joint guarantees		
— Mr. Wang Huiwu and former shareholder of Shaanxi University	17,575	50,317
Third party's guarantee		
— Credit Guarantee and Investment Facility	266,463	271,366
Total	976,255	1,583,309

20. CONVERTIBLE BONDS

On 2 March 2021, Tequ Mayflower Limited, a wholly-owned subsidiary of the Company completed the issue of Bonds with the aggregate principal amount of US\$350,000,000 (equivalent to approximately RMB2,259,775,000) with a maturity date on 2 March 2026. The Bonds are convertible at the option of the bondholders into ordinary shares of the Company, on or after 12 April 2021 to the close of business on the seventh day prior to the maturity date at an initial conversion price of HK\$3.85 per share. There is an early redemption option granted to bondholders with certain criteria satisfied that the Bonds are redeemable at the option of the bondholders at 103.04 per cent of the principal amount on 2 March 2024 (the "Early Redemption Option"). To exercise the Early Redemption Option, the bondholders should comply with the prescribed procedures and conditions of the Offering Circular of the Bonds, with details disclosed in the Company's announcement dated on 3 March 2021. Any convertible bonds not converted will be redeemed on 2 March 2026 at 105.11 per cent of its principal amount.

During the year ended 31 August 2022, the Group had repurchased the Bonds with an aggregate principal amount of US\$34,900,000 at a consideration of US\$20,991,250 (equivalent to approximately RMB140,698,000).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

20. CONVERTIBLE BONDS *(continued)*

The Company received Early Redemption Option notices, with disputes in validity, in respect of US\$315,100,000 in an aggregate principal amount of the Bonds on 10 February 2024. The Company received a winding-up petition dated 27 March 2024 filed by a bank with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region ("High Court") as the Bonds were not redeemed under its request. On 28 August 2024, the High Court dismissed the winding-up petition as the debt arising from the redemption is disputed on substantial grounds. The Directors are of the opinion that the redemption option is not valid and the maturity date of the Bonds is still 2 March 2026.

The Group designated the Bonds (including the conversion option) as financial liabilities at fair value through profit or loss which were initially recognised at fair value. Transaction costs relating to the issuance of the convertible bonds were charged to profit or loss immediately. In subsequent periods, such convertible bonds are remeasured at fair value. The change in fair value that is attributed to change in credit risk is recognised in other comprehensive income with the remaining fair value change recognised in profit or loss.

As at 28 February 2025, the fair values of the convertible bonds were RMB2,098,107,000 (31 August 2024: RMB1,976,664,000).

21. SHARE CAPITAL

	28 February 2025 US\$ (Unaudited)	31 August 2024 US\$
Authorised:		
10,000,000,000 shares of US\$0.00001 each	100,000	100,000
Issued and fully paid:		
8,224,974,706 ordinary shares (31 August 2024: 8,224,974,706 ordinary shares) of US\$0.00001 each	82,250	82,250
Equivalent to approximately	RMB558,695	RMB558,695

22. DIVIDENDS

At the meeting of the Board of Directors held on 30 April 2025, the Directors did not recommend any payment of interim dividend (six months ended 29 February 2024: Nil).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

23. COMMITMENTS

The Group had the following contractual commitments as at the end of the Reporting Periods:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Property, plant and equipment	310,751	600,241
Acquisition of equity interests	—	66,781
Prepaid land lease payments	37,732	37,732
Total	348,483	704,754

24. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Name and relationship

The directors of the Company are of the opinion that the following parties/companies are related parties that had significant transactions or balances with the Group during the Period.

Related parties	Relationships
Mr. Wang Huiwu	One of the ultimate jointly controlling parties
Mr. Wang Degen	One of the ultimate jointly controlling parties
Sichuan Tequ Education Management Co., Ltd. ("Tequ Education")	A company jointly controlled by the controlling shareholders
Ziyang Automobile Science and Technology Vocational College ("Ziyang Automobile College")	A school controlled by Tequ Education
Sichuan Mayflower Wine Sales Co., Ltd. ("Mayflower Wine Sales")	A company controlled by a close relative of Mr. Wang Huiwu
Sichuan Rongxing Driving School Co., Ltd. ("Rongxing Driving School")	A company controlled by Tequ Education
Sichuan Mayflower Construction Project Co., Ltd. ("Sichuan Mayflower Construction")	A company controlled by Mr. Wang Huiwu
Chengdu Mayflower Property Management Co., Ltd. ("Chengdu Mayflower Property Management")	A company controlled by Mr. Wang Huiwu
Sichuan Wuyang Construction Project Co., Ltd. ("Wuyang Construction")	A company controlled by a close relative of Mr. Wang Huiwu

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(a) Name and relationship *(continued)*

Related parties	Relationships
Chengdu Mayflower Senior Technical School ("Chengdu Mayflower Technical")	A school controlled by Tequ Education
Gongqing College of Nanchang University	Joint venture of the Group before 28 April 2024
Chengdu Wanfengyuan Catering Service Co. Ltd. ("Chengdu Wanfengyuan Catering Service")	A company controlled by a close relative of Mr. Wang Huiwu
Xi'an Siyuan Middle School	A school legally owned by the Group
Yinchuan Bahan Catering Management Co., Ltd.	A company controlled by Tequ Education
Chengdu Wukuaiwu Catering Management Co., Ltd. ("Chengdu Wukuaiwu Catering Management")	A company jointly controlled by shareholders
Sichuan Top Computer Vocational School	A school controlled by Tequ Education
Chengdu Jiuhan Catering Management Co., Ltd. ("Chengdu Jiuhan Catering Management")	A company controlled by Tequ Education

(b) Transactions with related parties

In addition to the transactions detailed elsewhere in this report, the Group had the following transactions with related parties:

(i) Loans provided to Gongqing College of Nanchang University

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Loans received	—	(13,575)
Interest expense charged	—	56
Interest received	—	(361)
Effective interest rate, per annum	—	6.5%–8%

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Transactions with related parties *(continued)*

(ii) Loans received from a related party

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Loans repaid*	—	(514)
Effective interest rate, per annum	—	nil

The Group repaid loans to Mr. Wang Huiwu during the six months ended 29 February 2024.

(iii) Procurement of property, equipment and fixtures

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Wuyang Construction	—	72,445

The considerations for the construction and procurement of properties were determined at prices mutually agreed between the Group and its related parties with reference to the local market prices and charging basis for the same services proposed by independent third parties and based on normal and reasonable commercial terms.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Transactions with related parties *(continued)*

(iv) Goods purchased and services received from related parties

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Mayflower Wine Sales	600	108
Chengdu Mayflower Property Management	1,143	1,561
Chengdu Jiuhan Catering Management	73	1,229
Others	949	2,507
Total	2,765	5,405

The purchases of goods or services from the related parties were determined at prices mutually agreed between the Group and its related parties with reference to the pricing obtained from the market.

(v) Properties leased to related parties

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Sichuan Top Computer Vocational School	1,449	1,979
Ziyang Automobile College	335	374
Rongxing Driving School	143	143
Others	346	958
Total	2,273	3,454

Rental charges were determined at prices mutually agreed between the Group and its related parties with reference to the prevailing market price of local properties in vicinity with similar size and quality.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Transactions with related parties *(continued)*

(vi) Goods sold and services provided to related parties

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Gongqing College of Nanchang University	—	23,560
Chengdu Mayflower Property Management	1,232	650
Chengdu Jiuhan Enterprise Management Co., Ltd.	811	—
Chengdu Wukuaiwu Catering Management	1,168	2,752
Others	771	3,922
Total	3,982	30,884

Goods sold and services provided to the related parties were charged at prices mutually agreed between the Group and its related parties with reference to the pricing obtained from the market.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Balances with related parties

The Group had outstanding balances due from and to related parties at the end of the Period.

Amounts due from related parties

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Trade in nature — current		
Chengdu Mayflower Technical	—	3
Chengdu Mayflower Property Management	1,167	858
Yinchuan Bahan Catering Management Co., Ltd.	1,286	1,109
Ziyang Automobile College	—	832
Chengdu Wanfengyuan Catering Service	27	32
Sichuan Top Computer Vocational School	1,496	46
Others	2,682	1,937
Total	6,658	4,817

Amounts due from the related parties are unsecured, interest-free and have no fixed terms of repayment.

Amounts due to related parties

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Trade in nature — current		
Wuyang Construction	6,328	54,880
Xi'an Siyuan Middle School	12,951	8,895
Sichuan Mayflower Construction	—	1,650
Others	1,307	1,750
Total	20,586	67,175

Payables due to related parties are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

24. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(d) Compensation of key management personnel of the Group

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,619	1,576
Equity-settled share option expense	485	1,994
Pension scheme contributions	113	130
Total	2,217	3,700

25. SHARE OPTION SCHEME

The Company operates two share option schemes, including the share option scheme adopted on 18 March 2018 (the "2018 Pre-IPO Share Option Scheme") and the share option scheme adopted on 11 May 2022 (the "2022 Share Option Scheme"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

2018 Pre-IPO Share Option Scheme

During the Period, no share option under the 2018 Pre-IPO Share Option Scheme was exercised. The following table discloses the details of share options outstanding under the 2018 Pre-IPO Share Option Scheme as at 28 February 2025:

	Number of share options	Exercise price per share HK\$	Fair value per share RMB	Exercise period
Tranche A Options	168,372	0.6800	0.4427	30.1.2019–18.3.2038
Tranche B Options	125,037,323	1.0700	0.3542	30.1.2019–18.3.2038
Tranche C Options	105,081,559	1.3000	0.3133	30.1.2019–18.3.2038
Total	230,287,254			

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

25. SHARE OPTION SCHEME *(continued)*

2022 Share Option Scheme

On 11 May 2022, a total of 612,505,822 share options under the 2022 Share Option Scheme (the “2022 Share Option”) were granted to certain employees of the Company in respect of their services to the Group in the forthcoming year. The following table discloses the details of share options outstanding under the 2022 Share Option as at 28 February 2025:

	Weighted average exercise price per share HK\$	Number of options
At 1 September 2024	0.486	371,522,822
Forfeited during the Period	0.486	(22,467,970)
At 28 February 2025	0.486	349,054,852

The exercise price and exercise periods of the share options granted under the 2022 Share Option outstanding as at 28 February 2025 are as follows:

	Number of share options	Exercise price per share HK\$	Fair value per share RMB	Exercise period
2022 Share Option	349,054,852	0.486	0.1448	11.5.2023–10.5.2032

25. SHARE OPTION SCHEME *(continued)*

2022 Share Option Scheme *(continued)*

2023 Share Option

On 26 September 2023, a total of 190,000,000 share options under the 2022 Share Option Scheme (the “2023 Share Option”) were granted to certain employees of the Company in respect of their services to the Group in the forthcoming year. The following table discloses the details of share options outstanding under the 2023 Share Option as at 28 February 2025:

	Weighted average exercise price per share HK\$	Number of options
At 1 September 2024	0.493	175,000,000
Forfeited during the Period	0.493	(15,000,000)
At 28 February 2025	0.493	160,000,000

The exercise price and exercise periods of the share options granted under the 2023 Share Option outstanding as at 28 February 2025 are as follows:

	Number of share options	Exercise price per share HK\$	Fair value per share RMB	Exercise period
2023 Share Option	160,000,000	0.493	0.2515	26.9.2024–30.11.2032

The fair value of the share options granted under the 2023 Share Option was RMB44,004,000, of which the Group recognised a share option expense of RMB2,748,000 during the Period (six months ended 29 February 2024: 12,630,000).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to their fair values, are as follows:

	Carrying amount		Fair value	
	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Financial assets				
Financial assets at fair value through profit or loss	74,041	—	74,041	—
Pledged and restricted deposits, non-current portion	12,733	7,520	12,733	7,520
Other receivables, non-current portion	230,429	237,760	230,429	237,760
Total	317,203	245,280	317,203	245,280
Financial liabilities				
Other payables, non-current portion	388,942	457,213	388,942	457,213
Liability of a put option granted to a shareholder	—	352,605	—	352,605
Convertible bonds	2,098,107	1,976,664	2,098,107	1,976,664
Interest-bearing bank loans, non-current portion	999,109	1,182,582	952,817	1,142,593
Total	3,486,158	3,969,064	3,439,866	3,929,075

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

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

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

The Group has estimated the fair value of the non-current portion of pledged and restricted deposits and the non-current portion of financial assets included in prepayments, deposits and other receivables by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of unlisted equity investment measured at fair value through profit or loss is determined by reference to the recent transaction price as at 28 February 2025.

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

The fair value of convertible bonds is measured using the binomial model. The model incorporates unobservable inputs including share price volatility and discount rate. Below is a summary of significant unobservable inputs to the valuation of convertible bonds together with a quantitative sensitivity analysis as at 28 February 2025:

	Valuation technique	Significant unobservable input	Rate	Sensitivity of fair value to the input
Financial liabilities designated as at fair value through profit or loss (convertible bonds)	Binomial model	Volatility of share price	77.62% (31 August 2024: 48.58%)	5% increase/decrease in multiple would result in increase/decrease in fair value by Nil/Nil
		Discount rate	13.17% (31 August 2024: 12.39%)	5% increase/decrease in multiple would result in decrease/increase in fair value by RMB3,874,000/ RMB3,888,000

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

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

Assets measured at fair value:

As at 28 February 2025

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets Level 1 RMB'000 (Unaudited)	Significant observable inputs Level 2 RMB'000 (Unaudited)	Significant unobservable inputs Level 3 RMB'000 (Unaudited)	
Financial assets at fair value through profit or loss	—	—	74,041	74,041

The Group did not have any financial assets measured at fair value as at 31 August 2024.

Liabilities measured at fair value:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	
Convertible bonds 28 February 2025 (Unaudited)	—	—	2,098,107	2,098,107
31 August 2024	—	—	1,976,664	1,976,664

27. EVENTS AFTER THE REPORTING PERIOD

On 24 April 2025, the Group entered into an equity transfer agreement to dispose of its entire interests in Nanchang Dongmei Education Technology Co., Ltd. and its subsidiary entities to an independent third party. Further information can be referred to the Company's announcement dated 24 April 2025.

28. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the Board of Directors on 30 April 2025.

In this report, unless the context otherwise requires, the following expressions shall have the meanings set forth below:

“Board” or “Board of Directors”	the board of Directors of the Company
“CG Code” or “Corporate Governance Code”	the code on corporate governance practices set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”, “our Company”, “we” or “us”	XJ International Holdings Co., Ltd. (希教國際控股有限公司) (formerly known as Hope Education Group Co., Ltd. (希望教育集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
“Director(s)”	the directors of our Company
“Gongqing College”	Gongqing College of Nanchang University (南昌大學共青學院)
“Group”, “our Group”, “we” or “us”	our Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“HK\$”, “Hong Kong Dollar(s)” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hope College”	Southwest Jiaotong University Hope College* (西南交通大學希望學院)
“IFRS Accounting Standards”	the International Financial Reporting Standard(s)
“Listing”	the listing of the Company’s Shares on the Main Board on 3 August 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“MOE”	Ministry of Education of the PRC
“Reporting Period”	the six months ended 28 February 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency for the time being of the PRC



DEFINITIONS

“Share(s)”	ordinary share(s) of a nominal value of US\$0.00001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shinawatra University”	Faith Star (Thailand) Company Limited and its subsidiary Shinawatra University
“State”	the central government of the PRC, including all governmental sub-divisions (such as provincial, municipal and other regional or local government entities)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Dollar(s)” or “US\$” or “USD”	United States dollars, the lawful currency for the time being of the United States
“%”	percent