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Wisdom Education International Holdings Company Limited
光正教育國際控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 6068)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 AUGUST 2025**

HIGHLIGHTS

	For the year ended 31 August			
	2025	2024	Change	Percentage
	RMB'000	RMB'000	RMB'000	Change
Revenue	130,834	180,989	(50,155)	(27.7)%
Profit for the year	38,303	96,433	(58,130)	(60.3)%
Core net profit <i>(Note 1)</i>	34,819	40,728	(5,909)	(14.5)%
Basic earnings per share <i>(RMB cents)</i>	1.77	4.45	(2.68)	(60.2)%

Note 1: Core net profit was derived from profit for the year after adjusting for items that are not indicative of the Group's operating performance. This is not an International Financial Reporting Standards ("IFRS") Accounting Standards measure. For details, please refer to the following reconciliation and the section headed "Financial Review" in this announcement.

	For the year ended	
	31 August	
	2025	2024
	RMB'000	RMB'000
Profit for the year	38,303	96,433
Adjustments for:		
Change in financial guarantee contracts <i>(Note 2)</i>	(6,188)	(55,883)
Exchange loss (gain), net	1,755	(1,007)
Recognition of share-based payment expenses	949	1,185
Core net profit	<u>34,819</u>	<u>40,728</u>
<i>Note 2:</i> The adjustment represented the sum of recognition of impairment loss under expected credit loss for financial guarantee contracts of RMB4,732,000 (2024: reversal of RMB30,164,000) and amortised income of financial guarantee contracts of RMB10,920,000 (2024: RMB25,719,000). For details, please refer to note 12 to the financial information and the section headed “Contingent Liabilities” in this announcement.		

ANNUAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Wisdom Education International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 August 2025. These annual results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2025

	NOTES	2025 RMB’000	2024 RMB’000
Revenue	4	130,834	180,989
Cost of revenue		(70,676)	(108,689)
Gross profit		60,158	72,300
Other income	5	12,761	30,306
Other gains and losses	6	(6,632)	15,701
Administrative expenses		(24,684)	(26,063)
Finance income		17,456	27,002
Finance costs		(10,545)	(8,482)
Profit before taxation		48,514	110,764
Taxation	7	(10,211)	(14,331)
Profit and total comprehensive income for the year		38,303	96,433
Earnings per share			
Basic (RMB)	9	0.02	0.04
Diluted (RMB)	9	0.02	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2025

		2025	2024
	NOTES	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		74,630	9,866
Right-of-use assets		106,956	101,688
Intangible asset		10,406	–
Goodwill		17,914	–
Trade receivables, deposits, prepayments and other receivables	10	176,915	241,653
Financial asset at fair value through profit or loss (“FVTPL”)		100	100
Deferred tax assets		543	1,302
		<u>387,464</u>	<u>354,609</u>
CURRENT ASSETS			
Inventories – goods for sale		4,107	4,765
Trade receivables, deposits, prepayments and other receivables	10	443,304	568,695
Restricted bank deposits		280,728	301,238
Time deposits		20,060	–
Cash and cash equivalents		125,844	47,020
		<u>874,043</u>	<u>921,718</u>
CURRENT LIABILITIES			
Contract liabilities		9,938	12,355
Trade and other payables and accrued expenses	11	171,424	190,498
Income tax payables		32,965	38,585
Lease liabilities		1,495	554
Borrowings		227,893	254,285
Financial guarantee contracts	12	167,872	174,060
		<u>611,587</u>	<u>670,337</u>
NET CURRENT ASSETS		<u>262,456</u>	<u>251,381</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>649,920</u>	<u>605,990</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
CAPITAL AND RESERVES		
Share capital	19,263	19,263
Reserves	<u>621,418</u>	<u>582,166</u>
	<u>640,681</u>	<u>601,429</u>
NON-CURRENT LIABILITIES		
Trade and other payables and accrued expenses	–	4,561
Deferred tax liabilities	2,602	–
Lease liabilities	<u>6,637</u>	<u>–</u>
	<u>9,239</u>	<u>4,561</u>
	<u>649,920</u>	<u>605,990</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

1. GENERAL INFORMATION

Wisdom Education International Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 July 2010 as an exempted company with limited liability under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent is Bright Education (Holdings) Co. Limited (incorporated in the British Virgin Islands) and its ultimate controlling parties are Mr. Liu Xuebin (“**Mr. Liu**”), who is an executive director of the Company and Ms. Li Suwen (“**Ms. Li**”), who is the chairperson of the board of the Company, and is also the chief executive officer and executive director of the Company. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the address of principal place of business of the Company is 8/F., Times Media Centre, No. 133 Wan Chai Road, Hong Kong.

The Company and its subsidiaries (the “**Group**”) is mainly engaged in the provision of school-related supply chain business and comprehensive educational services to its customers in the People’s Republic of China (“**PRC**”).

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards as issued by IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 September 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* (the “2020 Amendments”) and Amendments to IAS 1 *Non-current Liabilities with Covenants* (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Lack of Exchangeability ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
IFRS 18	Presentation and Disclosure in Financial Statements ⁴
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ⁴

- ¹ Effective for annual periods beginning on or after a date to be determined.
- ² Effective for annual periods beginning on or after 1 January 2025.
- ³ Effective for annual periods beginning on or after 1 January 2026.
- ⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 *Presentation and Disclosure in Financial Statements* (“IFRS 18”)

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* (“IAS 1”). This new IFRS Accounting Standards, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements; and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Basis of Preparation of Financial Statements* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group provides different kinds of services and sales of goods to its customers, including school-related supply chain business, e.g. sales of daily necessities and other educational materials, and comprehensive educational services, e.g. provision of extracurricular activities programme, study tours, etc.

Revenue represents income from school-related supply chain business and comprehensive educational services less returns and sales related tax.

The Group’s chief operating decision maker (“**CODM**”) has been identified as the chief executive officer who reviews revenue analysis of the Group as a whole. For the purposes of resource allocation and assessment of segment performance, the CODM reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CODM. Accordingly, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

The management of the Group assesses the performance of the reportable segment based on the revenue and gross profit for the year of the Group as presented in the consolidated statement of profit or loss and other comprehensive income. The accounting policies of the reportable segment are the same as the Group’s accounting policies. No analysis of the Group’s assets and liabilities is regularly provided to the management of the Group for review.

Revenue

The revenues attributable to the Group's service lines are as follows:

	2025 RMB'000	2024 RMB'000
School-related supply chain business	85,739	122,748
Comprehensive educational services	45,095	58,241
	130,834	180,989

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Customer A	N/A¹	23,399

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical information

The Group primarily operates in the PRC. Revenue of the Group is mainly generated from services and goods provided to the external customers in the PRC. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	2025 RMB'000	2024 RMB'000
Mainland, PRC	208,379	109,759
Hong Kong Special Administrative Region, PRC	1,527	1,795
	209,906	111,554

Non-current assets exclude trade receivables, deposits, prepayments and other receivables, financial asset at FVTPL and deferred tax assets shown under non-current portion.

5. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Amortised income of financial guarantee contracts (<i>note 12</i>)	10,920	25,719
Government grants (<i>Note</i>)	985	4,541
Rental income	771	–
Others	85	46
	<u>12,761</u>	<u>30,306</u>

Note: Government grants mainly represent unconditional subsidies granted by certain local governments for encouraging domestic business development and giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

6. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Exchange (loss) gain, net	(1,755)	1,007
Expected credit loss for financial guarantee contracts (<i>note 12</i>)	(4,732)	30,164
Loss on change in fair value of financial assets at FVTPL	–	(17,103)
Dividend income from financial assets at FVTPL	–	1,757
Others, net	(145)	(124)
	<u>(6,632)</u>	<u>15,701</u>

7. TAXATION

	2025 RMB'000	2024 RMB'000
Taxation comprises:		
Current tax:		
PRC Enterprise Income Tax	9,643	15,111
Overprovision in prior years	(18)	(18)
Deferred tax charge (credit)	586	(762)
	<u>10,211</u>	<u>14,331</u>

8. DIVIDENDS

During the year ended 31 August 2024, a final dividend in respect of the year ended 31 August 2023 of RMB0.05 per share (equivalent to HK\$0.055 per share) amounting to RMB108,398,000 (equivalent to HK\$119,798,000) was declared and paid to the shareholders of the Company.

During the year ended 31 August 2025, no dividend in respect of the year ended 31 August 2024 was declared and paid to the shareholders of the Company. For the year ended 31 August 2025, the Board does not recommend the payment of a final dividend.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	<u>38,303</u>	<u>96,433</u>
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,169,334	2,168,969
Effect of dilutive potential ordinary shares:		
Share award scheme	<u>365</u>	<u>365</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>2,169,699</u>	<u>2,169,334</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share shown above have been arrived at after deducting shares held by a share award scheme trust.

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

10. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	4,439	15,876
Less: Allowance for credit losses	<u>(1,073)</u>	<u>(605)</u>
	<u>3,366</u>	<u>15,271</u>

Trade receivables mainly represent receivables from customers, arising from contracts for provision of goods and services. Receivables from sales of goods and services fee is received in accordance with the terms of the relevant agreements, the customers are allowed a credit period of 30 to 60 days from date of revenue recognition.

The following is an analysis of trade receivables net of allowance for credit losses, by age, presented based on date of revenue recognition.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	541	14,680
6 months – 1 year	629	564
Over 1 year	2,196	27
	<u>3,366</u>	<u>15,271</u>

As at 31 August 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,825,000 (2024: RMB591,000) which are past due as at the reporting date.

11. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

The credit period granted by suppliers on purchase of goods is 30 to 180 days. The Group has financial risk management policies to settle payables within the credit timeframe. As at 31 August 2025 and 2024, the trade payables were aged within 180 days based on invoice date.

12. FINANCIAL GUARANTEE CONTRACTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial guarantee contracts	<u>167,872</u>	<u>174,060</u>

The financial guarantee contracts provided to Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司) (“**Guangdong Guangzheng**”) and its subsidiaries established prior to 31 August 2021 (collectively referred to as the “**Affected Entities**”) were recognised in the consolidated financial statements as at 31 August 2025 and 2024. As at 31 August 2025, the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to Affected Entities that the Group could be required to pay upon amounted to RMB3,606,455,000 (2024: RMB3,934,939,000) if the guarantees were called upon in entirety, RMB2,182,225,000 (2024: RMB2,510,709,000) of the outstanding financial guarantees has been utilised by the Affected Entities.

During the year ended 31 August 2025, amortised income of financial guarantee contracts amounting to RMB10,920,000 (2024: RMB25,719,000) is recognised in other income and expected credit loss for financial guarantee contracts amounting to RMB4,732,000 is recognised (2024: RMB30,164,000 is reversed) in other gains or losses, which are set out in notes 5 and 6, respectively.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 August 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 November 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are mainly engaged in the school-related supply chain business and provision of comprehensive educational services to students of primary, middle and high schools and other customers in the PRC. During the financial year ended 31 August 2025 (“FY2025”), the performance of our business segment of comprehensive educational services and school-related supply chain business were adversely affected by numerous macro and industry policy factors. In FY2025, the Group is engaged in the following three business lines and will continue to expand its business according to the same strategy:

(1) Comprehensive Educational Services for All-rounded Development of Students

Over the past years of education experience, the Group has developed a comprehensive and mature system providing high-quality, tailor-made and enriching non-curriculum activities for students and established long-term strategic partnership with certain third party after-school tutoring institutions, which has achieved remarkable results. Our total solution services aim to provide full cycle management services of a variety of after-school enrichment activities. Services include but are not limited to the design of the course and implementation plan, execution and technical assurance, and post-activity review and assessment in FY2025.

(2) School-related Supply Chain Business

The Group sells daily necessities, e.g. stationery products, and other educational materials, etc. Leveraging on the years of experience in the supply chain management, the Group plans to expand its product offerings to meet the demands of students of different ages.

Our strategy is to build up a supply chain network of trustworthy suppliers that is able to provide high-quality school-related products at the best price. To focus our resources on achieving this we shifted our business model for sales of certain products from retail, i.e. sales to each individual student, to wholesale, i.e. bulk sales to certain third party business partners that have advantages in national logistics networks and product distribution abilities, which will be responsible for distributing the products purchased from us to parents or students of different schools in the PRC.

(3) *Spin-off the High school Portion as a Separate School Entity*

Reference is made to the Company's annual results announcement for the financial year ended 31 August 2021 in relation to, among other things, the deconsolidation of the Affected Entities. The Company, along with its PRC legal advisors as well as relevant local government authorities, have been actively exploring the feasibility of spinning-off the high school portion from the schools under the Affected Entities. The current ultimate equity holders of the Affected Entities intend to establish a new entity to become the investment holding company of the spun-off high school entity, and the Company could resume its control over such high school entity via contractual arrangements with the new investment holding company, subject to compliance with the applicable laws and regulations.

As stipulated in Article No. 53 of the Law of the PRC for Promoting Private Education (amended on 29 December 2018) (中華人民共和國民辦教育促進法 (2018年12月29日修正)), "the spin-off or merger of private schools, should be after the financial liquidation, submitted by the council or the board of the school to the relevant government authorities for approval." The Company and its PRC legal advisors are currently engaged in discussions with accounting firms and seeking guidance from relevant local authorities regarding the financial liquidation audit for the purpose of spin-off of the high school portion.

On 30 August 2023, Dongguan Ruixing Business Services Co., Ltd. (東莞瑞興商務服務有限公司) ("**Dongguan Ruixing**"), a wholly-owned subsidiary of the Company, had entered into contractual arrangements (the "**Zhongshan Contractual Arrangement**") with Guangdong Guangzheng and Zhongshan Wenrui Education Investment Co., Ltd. (中山市文睿教育投資有限公司) ("**Zhongshan Wenrui**"), which enabled Dongguan Ruixing and the Group to have control over Zhongshan Wenrui though the Company did not hold any equity interest in Zhongshan Wenrui. Zhongshan Wenrui is not an Affected Entity.

Zhongshan Wenrui, an investment company established in the PRC by Guangdong Guangzheng under the laws of the PRC on 21 December 2021, intends to establish and operate a new high school in Zhongshan (the "**Proposed Zhongshan High School**").

Pursuant to the Zhongshan Contractual Arrangement, the Company has obtained power over Zhongshan Wenrui, the rights to variable returns from its involvement with Zhongshan Wenrui, and the ability to affect those returns through its power over Zhongshan Wenrui. Therefore, the Company considers that it has obtained control over Zhongshan Wenrui and hence regards Zhongshan Wenrui as an indirect subsidiary. The Group has consolidated the entire financial position and results of Zhongshan Wenrui and its subsidiaries (if any) in the consolidated financial statements of the Group during both years. For details of the Zhongshan Contractual Arrangement, please refer to the Company's announcement dated 30 August 2023.

FINANCIAL REVIEW

During FY2025, total revenue amounted to RMB130.8 million, representing a decrease of 27.7% as compared with RMB181.0 million for FY2024. Profit for FY2025 of the Group amounted to RMB38.3 million representing a decrease of 60.3% as compared with RMB96.4 million for FY2024.

Revenue

During FY2025, revenue consists of (i) school-related supply chain business, which mainly includes sales of daily necessities and other educational materials; and (ii) comprehensive educational services, which mainly include provision of extracurricular activities, study tours, etc. A further analysis of our revenue by each service line is presented as follows:

<i>By Service lines</i>	For the year ended 31 August			
	2025	% of Total	2024	% of Total
	<i>RMB'000</i>		<i>RMB'000</i>	
School-related supply chain business	85,739	65.5	122,748	67.8
Comprehensive educational services	45,095	34.5	58,241	32.2
Total revenue	130,834	100.0	180,989	100.0

School-related supply chain remains as the biggest source of revenue during the current year. As mentioned in the section headed “Business Review”, we adopted the wholesale business model such that we could focus on building up our own supply chain network. Total revenue from the school-related supply chain business has decreased by 30.2% from RMB122.7 million for FY2024 to RMB85.7 million for FY2025.

In relation to the comprehensive educational services business, revenue from this service line has decreased during FY2025, a decrease in revenue of RMB13.1 million or 22.6% for FY2025 was recorded as compared with FY2024.

As a result of the foregoing, the Group’s revenue decreased by RMB50.2 million, or 27.7%, from RMB181.0 million for FY2024 to RMB130.8 million for FY2025.

Cost of Revenue

Our cost of revenue primarily consists of staff costs, cost of material for the supply chain business and costs to other third party service suppliers in cooperation.

Cost of revenue decreased by RMB38.0 million, or 35.0%, from RMB108.7 million for FY2024 to RMB70.7 million for FY2025. The decrease was largely due to the decrease in cost of material for the school-related supply chain business.

Gross Profit

As a result of the foregoing, gross profit decreased by 16.8% from RMB72.3 million for FY2024 to RMB60.2 million for FY2025. Our gross profit margin increased from 39.9% for FY2024 to 46.0% for FY2025. The increase of gross profit margin was primarily due to increase in the proportion of revenue from comprehensive education services business with higher gross margin, which offset a decrease in the gross profit margin in school-related supply chain business.

Other Income

Other income mainly includes amortised income of financial guarantee contracts and government grants, which represents subsidies granted by certain local governments for encouraging domestic business development and unconditional subsidies for the purpose of giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

The decrease of other income is mainly due to decrease in the amortised income of financial guarantee contracts by RMB14.8 million from RMB25.7 million for FY2024 to RMB10.9 million for FY2025.

Other Gains and Losses

Other gains and losses primarily consist of recognition of expected credit loss for financial guarantee contracts of RMB4.7 million.

Administrative Expenses

Administrative expenses primarily consist of (i) expected credit loss for trade and other receivables, (ii) salaries and other benefits for general and administrative staff, (iii) legal and professional fees, (iv) depreciation charges and (v) share-based payment expenses.

Finance Income

Finance income primarily consists of interest income from other receivables and bank deposits.

Finance income decreased from RMB27.0 million for FY2024 to RMB17.5 million for FY2025 mainly due to the decrease in interest income from other receivables during FY2025.

Finance Costs

Finance costs consist of the interest expenses for our bank borrowings and interest on lease liabilities.

Finance costs increased from RMB8.5 million for FY2024 to RMB10.5 million for FY2025 primarily due to the increase in interest rates.

Profit before Taxation

As a result of the foregoing, profit before taxation amounted to RMB48.5 million for FY2025 (2024: RMB110.8 million).

Taxation

Income tax expense of the Group decreased by 28.7% from RMB14.3 million for FY2024 to RMB10.2 million for FY2025.

Profit for the Year

As a result of the above factors, profit for the year of the Group amounted to RMB38.3 million for FY2025 (2024: RMB96.4 million).

Core Net Profit

The Group defines its core net profit as its profit for the year after adjusting for those items which are not indicative of the Group's operating performance as presented in the table below. This is not an IFRS Accounting Standards measure. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group as well as analysts or investors. The following table reconciles the profit for the year with the core net profit for the two financial years as presented below:

	For the year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Profit for the year	<u>38,303</u>	<u>96,433</u>
Adjustments for:		
Change in financial guarantee contracts <i>(Note 1)</i>	(6,188)	(55,883)
Exchange loss (gain), net	1,755	(1,007)
Recognition of share-based payment expenses	<u>949</u>	<u>1,185</u>
Core net profit	<u>34,819</u>	<u>40,728</u>

Note 1: The adjustment represented the sum of recognition of impairment loss under expected credit loss for financial guarantee contracts of RMB4,732,000 (FY2024: reversal of RMB30,164,000) and amortised income of financial guarantee contracts of RMB10,920,000 (FY2024: RMB25,719,000). For details, please refer to note 12 to the financial information and the section headed "Contingent Liabilities" in this announcement.

Core net profit decreased by RMB5.9 million, or 14.5%, from RMB40.7 million for FY2024 to RMB34.8 million for FY2025. Core net profit margin increased from 22.5% for FY2024 to 26.6% for FY2025.

Capital Expenditure

For FY2025, the Group paid approximately RMB0.1 million for the acquisition of property, plant and equipment and RMB7.2 million for construction of Proposed Zhongshan High School and RMB7.0 million prepayment for leasehold improvement.

Liquidity, Financial Resources and Capital Structure

The Group recorded net cash inflow from operating activities of RMB12.0 million for FY2025.

The Group generated net cash inflow from investing activities of RMB118.3 million for FY2025, which primarily consists of repayment from loans to third parties of RMB133.3 million.

The Group had net cash outflow from financing activities of RMB51.5 million for FY2025 which was primarily due to net repayment of bank borrowings of RMB25.5 million and interest paid of RMB10.0 million.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of RMB78.8 million during FY2025.

As at 31 August 2025, the Group's total restricted bank deposits, time deposits, bank balances and cash amounted to RMB426.6 million, of which the majority were denominated in Hong Kong dollars (HK\$) and RMB (31 August 2024: RMB348.3 million).

As at 31 August 2025, the Group's total bank borrowing amounted to RMB227.9 million, which is repayable within one year. The Group's bank borrowing carried at the variable interest rate ranged from 3.59% to 5.58% per annum. All the bank borrowing was denominated in HK\$.

The Group recorded net current assets of RMB262.5 million as at 31 August 2025 (31 August 2024: RMB251.4 million).

Included in the net current assets of the Group as at 31 August 2025, amounts due from Affected Entities of RMB392.3 million (31 August 2024: RMB395.5 million) and amounts due to Affected Entities of RMB84.4 million (31 August 2024: RMB84.4 million) were included in trade receivables, deposits, prepayments and other receivables of current assets and trade and other payables and accrued expenses of current liabilities, respectively. The Group will continue to gradually recover/repay the amounts due from/to Affected Entities.

Gearing Ratio

The Group's gearing ratio is calculated as total bank and other borrowings divided by total equity at the end of the relevant year. The Group's gearing ratio as at 31 August 2025 was 37.1% (31 August 2024: 46.1%).

The decrease in gearing ratio was mainly due to the decrease in bank and other borrowings as at 31 August 2025 and increase in net profit generated during FY2025.

Taking into consideration the total restricted bank deposits, time deposits, bank balances and cash of RMB426.6 million, the Group does not have any net borrowings balance as at 31 August 2025 and 2024 which is calculated as total bank and other borrowings, net of restricted bank deposits, bank balances and cash.

Foreign Exchange Exposure

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that certain income and expenditures are denominated in HK\$. As at 31 August 2025, certain bank balances and cash, investment products and bank borrowings were denominated in HK\$ or United States Dollars. The Group did not enter into any financial instruments for hedging purpose. The Group will continue to monitor the foreign exchange rate risk and consider hedging significant foreign currency exposure should the need arises.

Contingent Liabilities

Save for the financial guarantee provided to the Affected Entities as disclosed in note 12 to the financial information and the section headed "Liquidity, Financial Resources and Capital Structure", the Group did not have any material contingent liabilities that are required to be disclosed.

During FY2025, no additional new financial guarantees have been provided by the Group to the Affected Entities. As at 31 August 2025, the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to the Affected Entities that the Group could be required to pay has been reduced to RMB3,606.5 million from RMB3,934.9 million as at 31 August 2024 followed by certain repayments of the existing loan balances by the Affected Entities during FY2025.

Pledge of Assets

As at 31 August 2025, the Group's bank borrowing was secured by restricted bank deposits.

OUTLOOK

In the future, the Group aims to fully integrate its resources to build an all-rounded educational service platform. The specific services include providing online education and learning products and services, comprehensive educational management services, supply of stationery products, etc.

Leveraging on years of experience in supply chain management, the Group will strive to grow the school-related supply chain business by expansion of our product offerings through the Company's wholly-owned subsidiaries incorporated in Qingyuan City, PRC.

The Company believes that by leveraging the Group's strengths, good reputation of Guangdong Guangzheng and experiences in education and management of high schools, the Proposed Zhongshan High School will achieve satisfactory results. The Group will seize this development opportunity to achieve our plan to develop high school education. Besides, the Group will adopt measures to optimise its operational structure, including separating the high schools with independent operating licenses from Affected Entities.

Future Capital Expenditure and Financing

As at 31 August 2025, the Group had no future plans for material investments or capital assets except for those disclosed under the heading "Management Discussion and Analysis — Outlook" as stated aforesaid.

Staff Recruitment, Training and Retention

We realise the importance of our staff in provision of high quality education services. We have a well-established staff training system in which we train our outstanding staff to prepare for the role of management in the future. We provide on-going training programmes such as learning groups, project seminars and outdoor training camps for team building, where our staff share experiences, enhance skills and improve teamwork. We reward outstanding staff with high performance evaluations and require staff who do not meet our expectations to improve within a prescribed period of time.

Conclusion

The Group has strong execution ability and adaptability proven by its good track record of past performance results. Looking into the future, we will increase investments in strengthening our professional service teams, building up our technology platform and marketing our educational services. We have confidence in continuing to create not only economic benefits to our shareholders, but also to create value to the customers and society with our high-quality and diversified educational services.

REGULATORY UPDATE

There has been no significant regulatory update since the publication of the Company's annual report ("**2024 Annual Report**") for FY2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During FY2025, the Group had no material acquisition and disposal of subsidiaries, associates or joint ventures.

EMPLOYEE BENEFITS

As at 31 August 2025, the Group had approximately 137 employees. The Group participates in various employee benefit plans, including provident fund, housing, pension, medical insurance and unemployment insurance. The Company has also adopted a pre-IPO share option scheme, a share option scheme and a share award scheme for its employees and other eligible persons. Salaries and other benefits of the Group's employees are generally reviewed on a regular basis in accordance with individual qualifications and performances, performance results of the Group and other relevant market conditions. The Group also provides internal and external training programmes to its employees.

Total employee remuneration (including directors' remuneration) for FY2025 amounted to approximately RMB17.4 million (FY2024: RMB19.5 million).

USE OF PROCEEDS

On 18 August 2020, the Company completed the placing of 130,000,000 new shares at HK\$4.24 per new share (the **"Placing"**) to no less than six placees, who and whose respective ultimate beneficial owners are independent of the Company and the connected persons of the Company. The net proceeds from the Placing were approximately HK\$545.7 million (equivalent to approximately RMB487.7 million) (**"Net Placing Proceeds"**). The Company intended to use the net proceeds from the Placing for construction and development of the Group's schools in the PRC and general corporate purpose. Details of the Placing are set out in the Company's announcements dated 11 August 2020 and 18 August 2020 respectively.

As a result of the deconsolidation of the Group's schools operated through the Affected Entities as at 31 August 2021, the Company believes that there is currently no longer an immediate need to apply any remaining net proceeds for construction and development of the schools in the PRC. Therefore, the Company has reallocated the unutilised Net Placing Proceeds in the amount of approximately RMB95.1 million to be used for subscription of a fund (the **"Fund"**) during the year ended 31 August 2022. For details, please refer to the Company's announcement dated 14 April 2022 and the 2022 Annual Report.

The revised use of the Net Placing Proceeds is set forth below:

	Intended use of Net Placing Proceeds <i>RMB million</i>	Revised use of unutilised Net Placing Proceeds <i>RMB million</i>	Unutilised balance as at 1 September 2024 <i>RMB million</i>	Utilised amount during the year ended 31 August 2025 <i>RMB million</i>	Total utilised amount as at 31 August 2025 <i>RMB million</i>	Unutilised balance as at 31 August 2025 <i>RMB million</i>	Expected timeline for full utilisation of the unutilised balance as previously disclosed
Construction and development of schools	150.0	46.7	–	–	46.7	–	Not applicable
General corporate purpose	337.7	345.9	–	–	345.9	–	31 August 2024
Subscription of the Fund	–	95.1	–	–	95.1	–	Not applicable
Total:	487.7	487.7	–	–	487.7	–	

All the Net Placing Proceeds were utilised in accordance with the expected timeline and intentions as previously disclosed by the Company.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 August 2025 (2024: Nil).

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

During FY2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Company's code for dealings in securities of the Company by the Directors. Having made specific enquiry with, all the Directors, the Company confirmed that all the Directors have complied with the Model Code during FY2025.

CORPORATE GOVERNANCE

The Board has committed to achieving high corporate governance standards in order to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has applied the principles as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 to the Listing Rules and has complied with all the applicable code provisions, save and except for code provision C.2.1 which stipulates that the roles of chairman (“**Chairperson**”) and chief executive (“**CEO**”) should not be performed by the same individual.

Ms. Li Suwen (“**Ms. Li**”) was appointed as the chairperson of the Board (“**Chairperson**”) following the step down of Mr. Liu Xuebin from the position of chairman of the Board on 28 September 2018. Ms. Li performs the dual roles of both Chairperson and CEO. The Board believes that it is in the interest of the Company and its Shareholders for Ms. Li to assume the responsibilities of such positions, given that Ms. Li is one of the co-founders of the Group and has extensive experience in the operation and management of the Group as an executive Director and CEO. The Board also considers that such arrangement will not impair the balance of power and authority between the Board and the management as the Board comprises five other experienced individuals including two other executive Directors and three independent non-executive Directors. In addition, for major decisions of the Group, the Company will consult Board committees and senior management as and when appropriate. The Board will review such arrangement from time to time and will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee comprises three members, namely, Mr. Poon Ha Fung, Prof. Sun Kai Lit Cliff, *BBS, J.P.* and Mr. Huang Weiguo, all being independent non-executive Directors of the Company. Mr. Poon Ha Fung is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for FY2025 and has met with the independent auditor, Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules for FY2025 and as at the date of this announcement.

EVENTS AFTER THE REPORTING YEAR

As at the date of this announcement, there were no other significant events that may affect the Group since the end of FY2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.wisdomeducationintl.com. The annual report of the Group for FY2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to Shareholders in due course.

By Order of the Board
Wisdom Education International Holdings Company Limited
Li Suwen
Chairperson

Dongguan, 27 November 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Li Suwen, Mr. Liu Xuebin and Mr. Li Jiuchang; and three independent non-executive Directors, namely Prof. Sun Kai Lit Cliff, BBS, J.P., Mr. Poon Ha Fung and Mr. Huang Weiguo.