

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA YUHUA EDUCATION CORPORATION LIMITED

中国宇华教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6169)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2025

HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China YuHua Education Corporation Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the audited consolidated annual results of the Group for the year ended 31 August 2025 (the “**Reporting Period**”). These annual results have been reviewed by the Company’s audit committee. The financial information presented on pages 5 to 42 is derived from the consolidated financial statements for the year ended 31 August 2025, which have been audited by the Company’s auditor, PricewaterhouseCoopers, in accordance with International Standards on Auditing.

	Year ended 31 August		
	2025	2024	Change
	(RMB’000)	(RMB’000)	(%)
Revenue	2,496,819	2,368,151	5.4%
Gross Profit	1,145,649	919,656	24.6%
Adjusted Gross Profit ¹	1,185,707	959,962	23.5%
Adjusted Net Profit attributable to the owners of the Company ²	913,913	467,186	95.6%

Notes:

1. The Adjusted Gross Profit for the year ended 31 August 2025 is calculated as gross profit from continuing operations for the period, excluding (i) share-based expense (in cost of revenue) and (ii) additional depreciation and amortisation due to the provisional fair value adjustments to the acquired identifiable assets of LEI Lie Ying Limited and its subsidiaries (including Hunan Lie Ying Industry Co., Ltd. (湖南獵鷹實業有限公司) (“**Hunan Lie Ying**”), which in turn owns the entire sponsorship interests in Hunan International Economics University (湖南涉外經濟學院), Hunan Lie Ying Mechanic School (湖南獵鷹技工學校) and Hunan International Economics University Vocational Skills Training Centre (湖南涉外經濟學院職業技能培訓中心), collectively “**HIEU Schools**”), Kaifeng City Yubohui Education Information Consulting Co., Ltd. (“**Yubohui Education**”) and its subsidiaries (including Kaifeng City Xiangfu District Bowang High School (“**Bowang High School**”)), and Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).
2. The Adjusted Net Profit attributable to owners of the Company for the year ended 31 August 2025 is calculated as the net profit attributable to the owners of the Company, excluding (i) share-based compensation expense; (ii) additional depreciation and amortization arising from the provisional fair value adjustments to the acquired identifiable assets mentioned above in (1); (iii) government grants recognised during the period; (iv) gains and losses related to convertible bond recognised during the period; and (v) net profit from discontinued operations, Thai Education Holdings Co., Ltd. (“**TEDCO**”) and its subsidiaries (including Stamford International University), as well as gains from their disposal.

Non-IFRS Measures

To supplement the Group’s consolidated financial statements which are presented in accordance with the International Financial Reporting Standards (“**IFRS**”), the Company also uses Adjusted Gross Profit, Adjusted Operating Profit, Adjusted Net Profit and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group’s operating performance. The Company believes that these measures provide useful information to shareholders and potential investors in understanding and evaluating the Group’s consolidated results of operations in the same manner as they help the Group’s management. However, the Company’s presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Company’s results of operations or financial condition as reported under IFRS.

Calculation of Adjusted Gross Profit

	Year ended 31 August	
	2025 (RMB'000)	2024 (RMB'000)
Gross Profit from continuing operations	1,145,649	919,656
Share-based compensation expenses in Cost of revenue	5,844	5,802
Additional depreciation and amortization due to the fair value adjustments to the acquired identifiable assets		
— HIEU Schools	10,733	10,997
— Bowang High School	1,542	1,542
— Shandong Yingcai University	21,939	21,965
Adjusted Gross Profit	1,185,707	959,962

Calculation of Adjusted Net Profit attributable to the owners of the Company		
	Year ended 31 August	
	2025	2024
	(RMB'000)	(RMB'000)
Net Profit attributable to the owners of the Company	929,876	398,741
Net profit from discontinued operations	(26,815)	(29,284)
Share-based compensation expense in Cost of revenue	5,844	5,802
Share-based compensation expense in Administrative expenses	9,728	9,809
Additional depreciation and amortization due to the fair value adjustments to the acquired identifiable assets		
— HIEU Schools	10,837	11,104
— Bowang High School	1,701	1,701
— Shandong Yingcai University	21,939	21,965
Gains and losses related to convertible bonds ¹		
— Fair value loss on convertible bonds	24,190	55,568
— Gains on repurchase of convertible bonds	(16,928)	—
— Losses on redemption of convertible bonds	18,075	—
Gains from disposal of subsidiaries in Thailand ²	(56,975)	—
Government grants	(7,559)	(8,220)
Adjusted Net Profit attributable to owners of the Company	913,913	467,186

Notes:

1. Details are set out in Note 4: Other gains/(losses) — net.
2. Details are set out in Note 4 & Note 18: Disposal of subsidiaries in Thailand.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 August	
		2025	2024
			(Note 18)
	Note	RMB'000	RMB'000
Continuing operations			
Revenue	3	2,496,819	2,368,151
Cost of revenue	5	<u>(1,351,170)</u>	<u>(1,448,495)</u>
Gross profit		1,145,649	919,656
Selling expenses	5	(19,699)	(21,530)
Administrative expenses	5	(241,426)	(256,902)
Net impairment losses on financial assets		(2,234)	(2,963)
Other income		17,457	14,605
Other gains/(losses) — net	4	<u>13,771</u>	<u>(254,247)</u>
Operating profit		913,518	398,619
Finance income		18,499	22,949
Finance expenses		<u>(33,709)</u>	<u>(57,400)</u>
Finance expenses — net		<u>(15,210)</u>	<u>(34,451)</u>
Profit before income tax		898,308	364,168
Income taxation	6	<u>9,497</u>	<u>10,470</u>
Profit for the year from continuing operations		<u>907,805</u>	<u>374,638</u>
Discontinued operations			
Profit for the year from discontinued operations, net of tax	18	<u>26,815</u>	<u>29,284</u>
Profit for the year		<u>934,620</u>	<u>403,922</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

		Year ended 31 August	
		2025	2024
			(Note 18)
	Note	RMB'000	RMB'000
Profit attributable to:			
Owners of the Company			
— Continuing operations		903,061	369,457
— Discontinued operations	18	26,815	29,284
		929,876	398,741
Non-controlling interests			
— Continuing operations		4,744	5,181
— Discontinued operations	18	—	—
		4,744	5,181
Earnings per share attributable to owners of the Company (RMB Yuan)			
Basic earnings per share			
— For the year	7	0.23	0.11
— For the year from continuing operations	7	0.23	0.10
Diluted earnings per share			
— For the year	7	0.23	0.11
— For the year from continuing operations	7	0.22	0.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 August	
		2025	2024
	Note	RMB'000	RMB'000
Profit for the year			
— Continuing operations		907,805	374,638
— Discontinued operations	18	26,815	29,284
Other comprehensive income for the year			
— Continuing operations			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(3,304)	9,362
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value related to the changes in credit risk of Convertible Bonds		104,710	114,589
Currency translation differences		479	(2,329)
Total other comprehensive income of continuing operations		101,885	121,622
— Discontinued operations			
<i>Items that may be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(66)	651
Currency translation differences	18	(9,164)	(1,578)
Total other comprehensive income of discontinuing operations		(9,230)	(927)
Other comprehensive income for the year, net of tax		92,655	120,695
Total comprehensive income for the year		1,027,275	524,617

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

		Year ended 31 August	
		2025	2024
	Note	<i>RMB'000</i>	<i>RMB'000</i>
Total comprehensive income for the year attributable to:			
Owners of the Company		1,022,531	519,436
Non-controlling interests		4,744	5,181
		<u>1,027,275</u>	<u>524,617</u>
Total comprehensive income for the year attributable to owners of the Company arises from:			
— Continuing operations		1,004,946	491,079
— Discontinued operations	18	17,585	28,357
		<u>1,022,531</u>	<u>519,436</u>

CONSOLIDATED BALANCE SHEET

		As at 31 August	
		2025	2024
	Note	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment	8(a)	7,252,370	7,084,757
Intangible assets	9	1,362,735	1,451,810
Right-of-use assets	8(b)	1,654,488	1,833,494
Trade and other receivables	11	106,587	—
Other non-current assets		53,258	11,625
Total non-current assets		10,429,438	10,381,686
Current assets			
Trade and other receivables	11	99,897	66,697
Restricted cash		2,190	681
Cash and cash equivalents		1,730,448	2,090,467
Term deposits with initial term of over three months		46,640	—
Total current assets		1,879,175	2,157,845
Total assets		12,308,613	12,539,531
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	12	36	30
Share premium	12	1,992,909	1,762,405
Reserves		1,318,135	1,445,104
Retained earnings		5,478,192	4,281,181
		8,789,272	7,488,720
Non-controlling interests		50,667	45,080
Total equity		8,839,939	7,533,800

CONSOLIDATED BALANCE SHEET (Continued)

		As at 31 August	
		2025	2024
	Note	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	10	435,471	475,868
Deferred income		161,360	164,910
Lease liabilities	8(b)	1,551	16,052
Borrowings	14	353,980	286,990
Total non-current liabilities		952,362	943,820
Current liabilities			
Accruals and other payables	13	1,389,243	1,193,805
Contract liabilities		840,589	1,013,408
Lease liabilities	8(b)	3,520	7,360
Borrowings	14	282,960	1,098,010
Financial liabilities at fair value through profit or loss	15	—	749,328
Total current liabilities		2,516,312	4,061,911
Total liabilities		3,468,674	5,005,731
Total equity and liabilities		12,308,613	12,539,531

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 August	
		2025	2024
			(Note 18)
	Note	RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations (continuing operations)	16	1,621,312	1,683,570
Interest paid		(36,777)	(59,399)
Interest received		18,312	23,231
Income tax paid		—	(2,426)
Continuing operations		1,602,847	1,644,976
Discontinued operations			
		29,191	44,474
Net cash generated from operating activities		1,632,038	1,689,450
Cash flows from investing activities			
Purchases of property, plant and equipment		(857,077)	(1,811,341)
Purchases of intangible assets		(5,114)	(59,438)
Payment of land use rights		—	(36,899)
Proceeds from disposal of land use rights		—	24,000
Proceeds from disposal of property, plant and equipment		2,921	3,127
Changes in term deposits with initial term of over three months		(46,640)	—
Changes in restricted cash		(1,509)	(129)
Cash and cash equivalents held by the disposal subsidiaries in Thailand	18	(131,467)	—
Proceeds received from disposal subsidiaries in Thailand	18	178,984	—
Refund of deposit payment related to land-use-rights	4		
		4,738	—
Continuing operations		(855,164)	(1,880,680)
Discontinued operations			
		(17,393)	(1,429)
Net cash used in investing activities		(872,557)	(1,882,109)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

		Year ended 31 August	
		2025	2024
			(Note 18)
Note		RMB'000	RMB'000
Cash flows from financing activities			
		350,000	1,168,000
		(1,098,060)	(1,239,900)
		61,000	—
		(3,670)	(10,409)
	15.2(c)	(29,438)	—
	15.2(c)	(397,921)	—
Continuing operations		(1,118,089)	(82,309)
Discontinued operations		(787)	(1,600)
Net cash used in financing activities		(1,118,876)	(83,909)
Net decrease in cash and cash equivalents			
		(359,395)	(276,568)
Cash and cash equivalents at beginning of the year		2,090,467	2,370,966
Exchange losses on cash and cash equivalents		(624)	(3,931)
— Continuing operations		(624)	(3,931)
— Discontinued operations		—	—
Cash and cash equivalents at end of the year		<u>1,730,448</u>	<u>2,090,467</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China YuHua Education Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of private formal education from high school to university education services in Chinese mainland and the Kingdom of Thailand (“**Thailand**”) (the “**Business**”). The Group’s operations in Thailand were disposed of during the year (Note 18).

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

Due to the regulatory restrictions on foreign ownership of schools in Chinese mainland, the Group conducts a substantial portion of its businesses through control of certain entities established in Chinese mainland, together with their wholly owned schools, by way of contractual agreements. During the year, the Board of Directors re-assessed and concluded that the contractual agreements continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are legally enforceable. The directors of the Company (“**Directors**”) are of the view that the Group continues to control these entities. Accordingly, the Group continues to consolidate these entities in the consolidated financial statements.

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

The financial statements are presented in Renminbi (“**RMB**”).

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) and requirements of the Hong Kong Companies Ordinance (Cap. 622 of the laws of Hong Kong).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

2.1 Going concern

As at 31 August 2025, the Group's current liabilities exceeded its current assets by RMB637,137,000. Management has considered the Group's operating performance, cash flows, liquidity and available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern, taking into account the following:

- (i) Contract liabilities of RMB840,589,000 (included in current liabilities as at 31 August 2025) represent tuition and boarding fees received in advance. The satisfaction of such liabilities would be through provision of the Group's services requiring operating cash outflows at significantly less amounts than the carrying amount of such liabilities;
- (ii) The creditor of the net payables to the Affected Business upon deconsolidation (Note 13) of RMB673,530,000 (included in current liabilities as at 31 August 2025) has confirmed that the settlement of such net payables would only be necessary when the Group has the sufficient liquidity to do so;
- (iii) The Group and the Company had cash and cash equivalents of RMB1,730,448,000 and RMB106,708,000 respectively as at 31 August 2025.

Based on the above considerations, management concluded that the Group would have sufficient financial resources to support its operations and to meet its financial obligations and commitments and continue as a going concern, as and when they fall due on the coming twelve months from 31 August 2025.

The Directors have reviewed the management's assessment together with the underlying basis and are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2.2 New and amended standards adopted by the Group

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

- *Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — amendments to IAS 1*
- *Lease Liability in Sale and Leaseback — amendments to IFRS 16*
- *Supplier Finance Arrangements — amendments to IAS 7 and IFRS 7*

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

3 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of private formal education from high school (Grade 10 to 12) to university and vocational college education services in Chinese mainland and Thailand. The Group's operation in Thailand has been disposed of during the year (Note 18).

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

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

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

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

The Group has a large number of customers, no single customer accounted for more than 10% of the Group's total revenue for the years ended 31 August 2025 and 31 August 2024.

	High Schools <i>RMB'000</i>	Universities and Vocational college <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 August 2025					
Continuing operations					
Revenue	144,012	2,352,807	781	(781)	2,496,819
Cost of revenue	(107,090)	(1,244,080)	—	—	(1,351,170)
Gross profit	36,922	1,108,727	781	(781)	1,145,649
Selling expenses	(264)	(19,435)	—	—	(19,699)
Administrative expenses	(19,256)	(199,703)	(23,248)	781	(241,426)
Net impairment losses on financial assets	—	(1,792)	(442)	—	(2,234)
Other income	234	17,189	34	—	17,457
Other gains/(losses) — net	4,180	(8,902)	18,493	—	13,771
Operating profit	21,816	896,084	(4,382)	—	913,518

3 REVENUE AND SEGMENT INFORMATION (Continued)

	High Schools <i>RMB'000</i>	Universities and Vocational college <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Finance income/(expenses) — net	2,645	(14,215)	(4,509)	869	(15,210)
Profit before income tax	24,461	881,869	(8,891)	869	898,308
Income taxation	425	9,072	—	—	9,497
Profit for the year	24,886	890,941	(8,891)	869	907,805
Profit for the year from discontinued operations	—	26,815	—	—	26,815
	High Schools <i>RMB'000</i>	Universities and Vocational college <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 August 2024					
Continuing operations					
Revenue	151,694	2,216,457	30,191	(30,191)	2,368,151
Cost of revenue	(107,117)	(1,362,297)	—	20,919	(1,448,495)
Gross profit	44,577	854,160	30,191	(9,272)	919,656
Selling expenses	(1,556)	(19,974)	—	—	(21,530)
Administrative expenses	(9,593)	(235,641)	(23,506)	11,838	(256,902)
Net impairment losses on financial assets	—	(2,963)	—	—	(2,963)
Other income	420	14,163	22	—	14,605
Other losses — net	(20,134)	(195,592)	(38,521)	—	(254,247)
Operating profit	13,714	414,153	(31,814)	2,566	398,619
Finance income/(expenses) — net	2,988	(25,184)	(11,959)	(296)	(34,451)
Profit before income tax	16,702	388,969	(43,773)	2,270	364,168
Income taxation	425	12,471	(2,426)	—	10,470
Profit for the year	17,127	401,440	(46,199)	2,270	374,638
Profit for the year from discontinued operations	—	29,284	—	—	29,284

3 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information by location is set out below.

	Year ended 31 August	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers		
Chinese mainland	<u>2,496,819</u>	<u>2,368,151</u>

Disaggregation of revenue from contracts with customers.

	Year ended 31 August	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Tuition and boarding fees	2,488,131	2,358,091
Others	<u>8,688</u>	<u>10,060</u>
	<u>2,496,819</u>	<u>2,368,151</u>

Accounting policies of revenue recognition

Revenues are recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the business model, terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The Group's service income includes tuition fees and boarding fees from universities and high schools and property management service fee.

Tuition and boarding fees are generally received in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the terms of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities. Amounts which will be earned within one year is reflected as a current liability, and those which will be earned beyond one year is reflected as a non-current liability.

Property management service fee is received and recognised on a monthly basis, and the customer receives and consumes the benefits concurrently in each month.

Revenue from research projects is recognised at a point in time when the services are rendered and accepted by the customers.

Revenue from training programs is recognised proportionately over the terms of the applicable programs.

Revenue from school hospital service and other service are recognised at a point in time when the services are rendered and accepted by the customers.

4 OTHER GAINS/(LOSSES) — NET

		Year ended 31 August	
		2025	2024
	Note	RMB'000	RMB'000
Fair value loss on Convertible Bonds		(24,190)	(55,568)
Losses on redemption of Convertible Bonds	15.2(c)	(18,075)	—
Fair value loss on Warrants		(13,145)	—
Losses on disposal of property, plant and equipment and intangible assets		(4,190)	(11,106)
Gains on repurchase of Convertible Bonds	15.2(c)	16,928	—
Provision for legal claims (a)		(4,661)	(17,401)
Penalty		(665)	—
Impairment loss recognised in respect of goodwill	9	—	(180,708)
Write-off of other non-current assets		—	(6,571)
Gains on disposal of land use rights		—	17,049
Donation		56	58
Reversal of write-off of other non-current assets		4,738	—
Gains from disposal of subsidiaries in Thailand	18	56,975	—
		<u>13,771</u>	<u>(254,247)</u>

- (a) During the year ended 31 August 2024, on 15 December 2023, the Intermediate People's Court of Changsha City in the Hunan Province handed down a final judgment that Hunan Lie Ying Industry Co., Ltd. ("**Hunan Lie Ying**"), a wholly owned subsidiary acquired by the Group in 2017, is liable to pay up the capital of Hunan Su Yue Sen Construction Engineering Co., Ltd. amounting to RMB17,401,000, where Hunan Lie Ying was a shareholder prior to 2013. The amount was recognised as other losses in the income statement.

During the year ended 31 August 2025, legal claims in relation to compensation for contract disputes and labor litigation compensation amounting to RMB4,661,000.

5 EXPENSES BY NATURE

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses	595,550	664,351
— Wages, salaries, bonus and other welfare	579,978	648,740
— Share-based compensation expenses	15,572	15,611
Depreciation expenses		
— Depreciation of property, plant and equipment (Note 8(a))	650,215	552,212
— Depreciation of right-of-use assets (Note 8(b))	56,677	63,355
Students training and scholarship expenses	70,203	130,534
Office expenses	64,783	74,072
Maintenance expenses	31,253	65,831
School consumables	18,748	46,063
Utilities expenses	38,073	40,840
Marketing expenses	17,119	18,826
Amortisation of intangible assets (Note 9)	33,871	31,672
Consultancy and professional fee	5,235	7,360
Travel and entertainment expenses	11,254	12,840
Auditors' remuneration	3,800	3,881
— Audit and audit related services	3,800	3,840
— Non-audit services	—	41
Expense relating to short-term leases	3,171	2,530
Other expenses	12,343	12,560
	1,612,295	1,726,927

6 INCOME TAXATION

6.1 Accounting policies of income taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the jurisdictions where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

6.2 Financial information of income taxation

The current tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of Chinese mainland, the principal jurisdiction of the Group's operations, as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	898,308	364,168
Tax calculated at domestic tax rate applicable to profits in the respective locations	213,828	89,613
Profit from tuition and boarding fees not subject to income tax	(226,393)	(104,020)
Tax losses for which no deferred income tax asset was recognised	3,068	3,937
	(9,497)	(10,470)

(a) ***Cayman Islands***

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

(b) ***British Virgin Islands***

The Company's subsidiary incorporated under the BVI Companies Act, 2004 is exempted from British Virgin Islands income tax.

(c) ***Hong Kong***

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

(d) ***Chinese mainland corporate income tax ("CIT")***

Corporate income tax ("CIT") is provided on the estimated taxable profits of entities incorporated in Chinese mainland. Pursuant to the Corporate Income Tax Law of the PRC (the "**CIT Law**"), which was effective from January 2008, the CIT rate applicable to the Group's subsidiaries incorporated in Chinese mainland was 25% (2024: 25%).

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

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

(e) ***Thailand income tax***

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

7 EARNINGS PER SHARE

(a) Basic

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

	For the year ended 31 August	
	2025	2024
Profit attributable to owners of the Company (RMB'000)		
— for the year	929,876	398,741
— for the year from continuing operations	903,061	369,457
Weighted average number of ordinary shares in issue (Thousands)	3,978,251	3,606,788
Basic earnings per share (RMB Yuan)		
— for the year	0.23	0.11
— for the year from continuing operations	0.23	0.10

(b) Diluted

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

The Company had three categories of dilutive potential ordinary shares: Pre-IPO share options, Convertible Bonds and warrants. For Pre-IPO share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding Pre-IPO share options. The Convertible Bonds are assumed to have been converted into ordinary shares. Gains or losses in relation to interest savings, fair value change, disposal and early redemption on Convertible Bonds are adjusted to the extent of the amount charged to the profit or loss attributable to owners of the Company, if applicable. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the Pre-IPO shares options and conversion of Convertible Bonds.

For the year ended 31 August 2025, the impact of the warrants was excluded from the calculation of diluted earnings per share as the warrants were anti-dilutive.

	For the year ended 31 August	
	2025	2024
Profit attributable to owners of the Company (RMB'000)		
— for the year	929,876	398,741
— for the year from continuing operations	903,061	369,457
Adjustments for:		
— impact of Convertible Bonds (RMB'000)	29,234	63,552
Adjusted profit attributable to owners of the Company (RMB'000)		
— for the year	959,110	462,293
— for the year from continuing operations	932,295	433,009
Weighted average number of ordinary shares in issue (Thousands)	3,978,251	3,606,788
Adjustments for:		
— impact of Convertible Bonds and others (Thousands)	260,817	590,303
Adjusted weighted average number of ordinary shares for diluted earnings per share (Thousands)	4,239,068	4,197,091
Diluted earnings per share (RMB Yuan)		
— for the year	0.23	0.11
— for the year from continuing operations	0.22	0.10

8 PROPERTY, PLANT AND EQUIPMENT, AND LEASES

(a) *Property, plant and equipment*

	Buildings RMB'000	Decoration improvements RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 August 2024							
Opening net book amount	3,479,158	969,103	3,869	225,879	239,115	945,312	5,862,436
Exchange differences	535	—	1	20	26	—	582
— Continuing operations	—	—	—	—	—	—	—
— Discontinued operations	535	—	1	20	26	—	582
Additions	12,042	11,271	1,462	149,041	211,996	1,409,887	1,795,699
Transfer upon completion	1,886,130	264,716	—	—	—	(2,150,846)	—
Disposals	(9,341)	—	(1,213)	(1,267)	(2,250)	—	(14,071)
Depreciation charge	(174,337)	(254,559)	(1,559)	(66,512)	(62,922)	—	(559,889)
— Continuing operations	—	—	—	—	—	—	—
(Note 5)	(168,232)	(254,559)	(1,502)	(65,351)	(62,568)	—	(552,212)
— Discontinued operations	(6,105)	—	(57)	(1,161)	(354)	—	(7,677)
Closing net book amount	5,194,187	990,531	2,560	307,161	385,965	204,353	7,084,757
At 31 August 2024							
Cost	6,048,454	1,339,017	3,116	425,333	477,681	204,353	8,497,954
Accumulated depreciation	(854,267)	(348,486)	(556)	(118,172)	(91,716)	—	(1,413,197)
Net book amount	5,194,187	990,531	2,560	307,161	385,965	204,353	7,084,757
Year ended 31 August 2025							
Opening net book amount	5,194,187	990,531	2,560	307,161	385,965	204,353	7,084,757
Exchange differences	2,752	—	2	116	28	—	2,898
— Continuing operations	—	—	—	—	—	—	—
— Discontinued operations	2,752	—	2	116	28	—	2,898
Additions	17,668	4,072	3,397	59,541	35,563	807,807	928,048
Transfer upon completion	613,703	248,485	—	—	—	(862,188)	—
Disposals	(3,400)	—	(158)	(2,165)	(1,380)	—	(7,103)
Depreciation charge	(222,869)	(279,043)	(1,530)	(77,214)	(76,419)	—	(657,075)
— Continuing operations	—	—	—	—	—	—	—
(Note 5)	(217,708)	(279,027)	(993)	(76,272)	(76,215)	—	(650,215)
— Discontinued operations	(5,161)	(16)	(537)	(942)	(204)	—	(6,860)
Disposals of subsidiaries in Thailand (Note 18)	(93,892)	(178)	(2,795)	(1,814)	(356)	(120)	(99,155)
Closing net book amount	5,508,149	963,867	1,476	285,625	343,401	149,852	7,252,370
At 31 August 2025							
Cost	6,346,081	1,585,680	2,106	419,858	474,995	149,852	8,978,572
Accumulated depreciation	(837,932)	(621,813)	(630)	(134,233)	(131,594)	—	(1,726,202)
Net book amount	5,508,149	963,867	1,476	285,625	343,401	149,852	7,252,370

(b) Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 August 2025 RMB'000	As at 31 August 2024 RMB'000
Right-of-use assets		
— Buildings	5,819	27,117
— Land use rights	1,648,669	1,806,101
— Vehicles	—	276
	<u>1,654,488</u>	<u>1,833,494</u>
Lease liabilities		
— Current	3,520	7,360
— Non-current	1,551	16,052
	<u>5,071</u>	<u>23,412</u>

During the year, additions to the right-of-use assets were Nil (2024: RMB46,917,000).

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

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

	Notes	Year ended 31 August	
		2025	2024
		RMB'000	RMB'000
Depreciation charge of right-of-use assets			
Continuing operations			
— Buildings		5,245	12,003
— Land use right		51,432	51,352
	5	56,677	63,355
Discontinued operations			
— Buildings		1,012	1,268
— Vehicles		176	243
		1,188	1,511
		57,865	64,866

9 INTANGIBLE ASSETS

	Trademark RMB'000	Goodwill RMB'000	Softwares RMB'000	Total RMB'000
Year ended 31 August 2024				
Opening net book amount	432,438	1,084,625	92,139	1,609,202
Additions	—	—	59,438	59,438
Disposals	—	—	(162)	(162)
Impairment loss recognised in the year (Note 4)	—	(180,708)	—	(180,708)
Amortisation	(4,288)	—	(31,672)	(35,960)
— Continuing operations (Note 5)	—	—	(31,672)	(31,672)
— Discontinued operations	(4,288)	—	—	(4,288)
Closing net book amount	428,150	903,917	119,743	1,451,810
At 31 August 2024				
Cost	455,606	1,084,625	196,861	1,737,092
Accumulated depreciation and impairment	(27,456)	(180,708)	(77,118)	(285,282)
Net book amount	428,150	903,917	119,743	1,451,810

	Trademark <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Softwares <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 August 2025				
Opening net book amount	428,150	903,917	119,743	1,451,810
Additions	—	—	5,114	5,114
Disposals	—	—	(8)	(8)
Disposals of subsidiaries in Thailand (Note 18)	(15,694)	(41,560)	—	(57,254)
Amortisation	(3,056)	—	(33,871)	(36,927)
— Continuing operations (Note 5)	—	—	(33,871)	(33,871)
— Discontinued operations	(3,056)	—	—	(3,056)
Closing net book amount	409,400	862,357	90,978	1,362,735
At 31 August 2025				
Cost	439,912	1,043,065	201,966	1,684,943
Accumulated depreciation and impairment	(30,512)	(180,708)	(110,988)	(322,208)
Net book amount	409,400	862,357	90,978	1,362,735

As at 31 August 2025, the trademark consisted of trademark with indefinite useful lives of RMB409,400,000

10 DEFERRED INCOME TAX ASSETS AND LIABILITIES

10.1 Accounting policies of deferred income tax assets and liabilities

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

10.2 Financial information of deferred income tax assets and liabilities

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

(a) *Deferred income tax assets*

	Year ended 31 August	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
As at beginning of the year	16,422	16,867
(Charged)/credited to profit or loss	(162)	(445)
— Continuing operations (<i>Note 6</i>)	(162)	3,164
— Discontinued operations	—	(3,609)
Disposal of subsidiaries in Thailand (<i>Note 18</i>)	(13,258)	—
As at end of the year	<u>3,002</u>	<u>16,422</u>

At 31 August 2025, deferred income tax asset arising from tax losses amounted to RMB3,002,000 (2024: RMB16,422,000).

(b) Deferred income tax liabilities

	Right-of- use assets- leasehold land <i>RMB'000</i>	Trademark <i>RMB'000</i>	Software <i>RMB'000</i>	Property, plant and equipment appreciation <i>RMB'000</i>	Other payables and accrued expenses <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 September 2023	(235,083)	(102,305)	(2)	(120,474)	(44,158)	(502,022)
Credited to profit or loss	7,613	—	—	2,119	—	9,732
— Continuing operations (Note 6)	7,613	—	—	2,119	—	9,732
— Discontinued operations	—	—	—	—	—	—
Balance at 31 August 2024	<u>(227,470)</u>	<u>(102,305)</u>	<u>(2)</u>	<u>(118,355)</u>	<u>(44,158)</u>	<u>(492,290)</u>
Balance at 1 September 2024	(227,470)	(102,305)	(2)	(118,355)	(44,158)	(492,290)
Credited to profit or loss	7,613	—	—	2,046	—	9,659
— Continuing operations (Note 6)	7,613	—	—	2,046	—	9,659
— Discontinued operations	—	—	—	—	—	—
Disposal of subsidiaries in Thailand (Note 18)	—	—	—	—	44,158	44,158
Balance at 31 August 2025	<u>(219,857)</u>	<u>(102,305)</u>	<u>(2)</u>	<u>(116,309)</u>	<u>—</u>	<u>(438,473)</u>

- (i) The deferred income tax liabilities arise from fair value adjustment of right-of-use assets-leasehold land, recognition of trademark and fair value adjustment of buildings and other fixed assets upon the acquisition of subsidiaries.

- (ii) Under the CIT Law, withholding tax is imposed on dividends declared in respect of profits earned by Chinese mainland subsidiaries from 1 January 2008 onwards. Deferred income taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to undistributed earnings of the Group's Chinese mainland subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At 31 August 2025, no deferred income tax has been recognised for withholding taxes payable on the unremitted earnings of the Group's subsidiaries established in Chinese mainland that are subject to withholding taxes (2024: Nil). In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings for the foreseeable future.

Deferred tax assets and liabilities after offset are listed as below:

	Year ended 31 August	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax liabilities	<u>435,471</u>	<u>475,868</u>

11 TRADE AND OTHER RECEIVABLES

	As at 31 August	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
Due from students	9,230	14,578
Provision for impairment	<u>(5,488)</u>	<u>(8,881)</u>
	<u>3,742</u>	<u>5,697</u>
Other receivables		
Non-current portion:		
Receivables from the disposed subsidiaries in Thailand (Note 18)	107,029	—
Provision for impairment	<u>(442)</u>	<u>—</u>
	<u>106,587</u>	<u>—</u>

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Current portion:		
Receivables from local government	45,960	49,202
Remaining consideration to be received in relation to the disposal of subsidiaries in Thailand (<i>Note 18</i>)	41,932	—
Staff advances	2,264	2,614
Deposits	4,390	2,342
Others	263	5,050
Provision for impairment	(898)	(737)
	93,911	58,471
Prepayments		
Prepaid expenses	2,244	2,529
	206,484	66,697

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

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Less than 1 year	5,786	7,790
Over 1 year	3,444	6,788
	9,230	14,578

12 SHARE CAPITAL AND SHARE PREMIUM

Authorised:	Number of ordinary shares		Nominal value of ordinary shares	
			HK\$	
As at 31 August 2024 and 2025 par value of HK\$0.00001 each	50,000,000,000		500,000	
Issued and paid:	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Total share capital and share premium
		HK\$	RMB'000	RMB'000
As at 1 September 2023 and 31 August 2024	3,606,787,883	36,068	30	1,762,405
As at 1 September 2024	3,606,787,883	36,068	30	1,762,405
Issue of ordinary shares	660,120,569	6,601	6	230,504
As at 31 August 2025	4,266,908,452	42,669	36	1,992,909

13 ACCRUALS AND OTHER PAYABLES

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Net payables to the Affected Business upon deconsolidation (a)	673,530	594,030
Payables for purchases of property, plant and equipment	346,348	247,913
Miscellaneous expenses received from students (b)	119,079	113,453
Salary and welfare payables	45,380	53,767
Payables for teaching materials and other operating expenditure	10,194	20,979
Government subsidies payable to students and teachers	51,167	42,467
Taxes payable	3,120	26,688
Deposits received	21,212	20,422
Amount due to related parties	74,151	12,435
Interest payables	1,385	7,888
Defined pension benefits	—	9,674
Audit and consulting fees	2,626	3,212
Legal claim payables	19,887	18,290
Others	21,164	22,587
	1,389,243	1,193,805

- (a) On 14 May 2021, Implementation Regulations of the People's Republic of China on the Law Regarding the Promotion of Private Education ("**Implementation Regulations**") were promulgated. The Implementation Regulations were effective on 1 September 2021. The Directors assessed that all preschools in the kindergartens segment of the Group and the compulsory education programs which is middle schools programs and primary schools programs of the Group were affected by the Implementation Regulations (collectively referred to as the "**Affected Business**"), and the Group ceased its control over the Affected Business by 31 August 2021 and therefore the carrying amount related to the net assets of the Affected Business was deconsolidated from the consolidated financial statements of the Group as of 31 August 2021. Then the Group's net payables to the Affected Business were no longer eliminated within the Group, and will be settled gradually among the Group and the Affected Business.
- (b) The amounts represent the miscellaneous expenses received from students which will be paid out on behalf of students.

14 BORROWINGS

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Non-current		
Unguaranteed		
Bank loans	353,980	286,990
	<u>353,980</u>	<u>286,990</u>
Current		
Guaranteed		
Bank loans	—	220,000
	<u>—</u>	<u>220,000</u>
Unguaranteed		
Bank loans	282,960	878,010
	<u>282,960</u>	<u>878,010</u>
	-----	-----
	282,960	1,098,010
Total borrowings	<u><u>636,940</u></u>	<u><u>1,385,000</u></u>

15 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

15.1 Accounting policies of Convertible Bonds

Convertible Bonds (Note 15.2(a)) issued by the Company can be converted into the share capital of the Company at the option of the investor.

The Group designates Convertible Bonds as financial liabilities at fair value through profit or loss based on relevant requirements under IFRS Accounting Standards. They are initially recognised at fair value. In the subsequent measurement, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, and the remaining amount of change in the fair value of convertible bond shall be presented in profit or loss.

When assessing whether the terms of Convertible Bonds were substantially modified, the Group choose to perform not only quantitative analysis but also qualitative assessment. Under the quantitative analysis, if the Convertible Bonds' present value of the new cash flows under the new terms is at least 10% different from the present value of the remaining cash flows of the original liabilities, using the original effective interest rate, the terms were substantially modified under IFRS Accounting Standards. The Group's qualitative assessment depends on specific facts and circumstances, in order to identify whether the modifications of terms will significantly affect the economic risks of the Convertible Bonds. The Group's qualitative assessment considers factors include, but are not limited to, the following:

- A change in the currency in which the liability is denominated,
- A change in the interest basis (such as a change from fixed rate to floating rate, or vice versa),
- A change in any conversion features; and
- A substantial change in covenants.

15.2 Financial information of Convertible Bonds

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Current		
Convertible Bonds	—	749,328

(a) Issuance of the Convertible Bonds

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

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

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

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

(b) Repurchase of and amendments to the Convertible Bonds

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

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

- (1) A mandatory redemption by the Company totalling HK\$500,000,000 to all the remaining Bondholders on a pro-rata basis on 30 January 2023. The remaining outstanding aggregate principal amount of HK\$974,000,000 will be fully repayable on 27 December 2024, with interest payable remains at 0.9% per annum payable semi-annually on 27 June and 27 December in each year, provided conversion under (3) below is not triggered.

- (2) The conversion price to the shares of the Company under terms of the Convertible Bonds was amended to HK\$1.65 per share (the “**Amended Conversion Price**”) from the conversion price of HK\$6.68 per share immediately before the amendment.
- (3) A right of mandatory conversion of the Convertible Bonds when the volume-weighted average price of the Company’s shares for at least 20 trading days (whether or not consecutive) out of any 30 consecutive trading days is at least 130% of the Amended Conversion Price, at any time after 1 March 2023 and prior to the maturity date of 27 December 2024.
- (4) Waivers were granted with respect to the consequences of the Events of Default as stipulated in the Trust Deed, including immediate repayment of the principal and interest amounts and payment of default interests.

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

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

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

On 20 September 2024, the Company repurchased and cancelled a portion of the Convertible Bonds with principal amounts of HK\$60,131,614 from certain bondholders at a total consideration of HK\$32,471,000 (equivalent to RMB29,438,000), resulted in other gain of HK\$18,673,000 (equivalent to RMB16,928,000), and changes in the fair value of the Convertible Bonds attributable to the changes in the credit risk presented in other comprehensive income amounting to approximately HK\$17,965,000 (equivalent to RMB16,286,000) was transferred to retained earning. After such repurchase, the outstanding principal amount of the Convertible Bonds was reduced to approximately HK\$913,868,386.

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

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

- (1) Waivers were granted with respect to, among others, (i) immediate redemption of the Convertible Bonds as a result of suspension of trading of the shares of the Company for a consecutive period of over 20 consecutive trading days from 2 December 2024; and (ii) default interests as stipulated in the Convertible Bonds agreement dated 19 January 2023 thereon as a result of (i) and the Company did not redeem the Convertible Bonds on the maturity date of 27 December 2024.
- (2) On the fifth business day after the passing of the Extraordinary Resolution, redeemed HK\$430,000,000 (equivalent to RMB397,921,000) on a pro rata basis in an aggregate principal amount of the Convertible Bonds, at their principal amount.
- (3) The conversion price to the shares of the Company under terms of the Convertible Bonds was reset to HK\$0.733 per share from HK\$1.65 per share. The maturity date of the Convertible Bonds was extended from 27 December 2024 to the tenth business day after resumption of trading of the shares of the Company, and on that day the Company was required to mandatorily convert the remaining principal amount of approximately HK\$483,868,386 on a pro rata basis into the fixed 660,120,581 shares of the Company at the aforesaid revised conversion price of HK\$0.733 per share.
- (4) The Company shall, (i) as soon as practicable and within ten business days after the Company’s next annual general meeting (held on 11 August 2025), issue 182,000,000 warrants to the bondholders who voted in favor of the Extraordinary Resolution on a pro rata basis, the number of warrants to each bondholder being the portion of the Convertible Bonds held by such bondholder as a percentage of the aggregate outstanding principal amount of the Convertible Bonds that voted in favor of the Extraordinary Resolution, each warrant entitles the holder the right to buy one share of the Company at a fixed price of HK\$0.5 and it can be exercised at any time during the exercise period which is within three years after the date of issuance; or (ii) pay HK\$70,500,000 in cash to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants, in the event that the Company has not issued the warrants within ten business days after the Company’s next annual general meeting or if the ordinary resolution for the issuance of the warrants failed to pass in the Company’s next annual general meeting, provided that, in the event that the failure of the issuance of the warrants is not within the Mr. Li Guangyu and his family’s control (as defined in the Extraordinary Resolution), the Company and the bondholders shall negotiate for a solution within a period of one month, and if such negotiation fails, the Company shall pay HK\$70,500,000 in cash to bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants.

On 31 December 2024 and 2 January 2025, the Company deposited amounts totalling HK\$430,000,000 (equivalent to RMB397,921,000) into an escrow bank account in Hong Kong in accordance with the Standstill Agreement for the purpose of redemption on the fifth business day after the passing of the Extraordinary Resolution as mentioned above in (c)(2).

In accordance with the Extraordinary Resolution, the Company:

- (i) completed the redemption and paid HK\$430,000,000 (equivalent to RMB397,921,000) to the bondholders from the escrow bank account on the fifth business day after the passing of the Extraordinary Resolution;
- (ii) issued the required shares as mentioned above in (c)(3) under the general mandate passed as an ordinary resolution in the Company's previous annual general meeting held on 29 January 2024, on 14 March 2025, the tenth business day after the resumption of trading of the shares of the Company; and
- (iii) issued the required warrants as mentioned above in (c)(4) through passing of an ordinary resolution in the forthcoming annual general meeting of the Company (held on 11 August 2025).

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

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

On 14 March 2025 and 23 April 2025, the Company issued 638,164,281 shares and 21,956,288 shares respectively totalling 660,120,569 shares as mentioned above.

On 25 August 2025, the Company issued 182,000,000 warrants to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis with total fair value amounting to HK\$35,073,000 (equivalent to RMB31,939,000).

16 CASH FLOW INFORMATION

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Profit before income tax (Continuing operations)	898,308	364,168
Adjustments for:		
— Depreciation of right-of-use assets (<i>Note 8(b)</i>)	56,677	63,355
— Depreciation of property, plant and equipment (<i>Note 8(a)</i>)	650,215	552,212
— Amortisation of intangible assets (<i>Note 9</i>)	33,871	31,672
— Provision for impairment of trade and other receivables	2,234	2,963
— Fair value loss on Convertible Bonds (<i>Note 4</i>)	24,190	55,568
— Impairment loss recognised in respect of goodwill (<i>Note 4</i>)	—	180,708
— Finance expenses — net	14,427	33,884
— Provision for legal claims (<i>Note 4</i>)	4,661	17,401
— Share-based compensation expenses (<i>Note 5</i>)	15,572	15,611
— Losses on disposal of property, plant and equipment and intangible assets (<i>Note 4</i>)	4,190	11,106
— Losses on redemption of Convertible Bonds (<i>Note 4</i>)	18,075	—
— Fair value loss on warrants issued (<i>Note 4</i>)	13,145	—
— Gains on disposal of land-use-rights (<i>Note 4</i>)	—	(17,049)
— Gains from disposal of subsidiaries in Thailand (<i>Note 4</i>)	(56,975)	—
— Gains on repurchase of Convertible Bonds (<i>Note 4</i>)	(16,928)	—
Changes in working capital:		
— Trade and other receivables	(4,570)	106,349
— Contract liabilities	(117,877)	282,376
— Accruals and other payables	92,124	(20,192)
— Other non-current assets	(6,479)	7,297
— Deferred income	(3,548)	(3,859)
Cash generated from operations (continuing operations)	<u>1,621,312</u>	<u>1,683,570</u>

17 DIVIDENDS

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

18 DISPOSAL OF SUBSIDIARIES IN THE THAILAND

On 27 December 2024, one of the Company's wholly owned subsidiaries, China YuHua Education Investment Limited, a company incorporated in the British Virgin Islands with limited liability (the "Seller"), and Mr. Xin Yu, a third party individual (the "Purchaser"), entered into an acquisition agreement, pursuant to which, the Seller decided to sell and the Purchaser agreed to purchase: (i) 100% of the issued and outstanding ordinary shares of Thai Education Holdings Co., Ltd. ("TEDCO"), which owned approximately 92.88% of the issued and outstanding share capital of Fareast Stamford International Co., Ltd. ("FES"); and (ii) 7.12% of the issued and outstanding share capital of FES with a total consideration of HK\$240,000,000.

The Group's disposal of TEDCO and its subsidiaries was completed at the end of May 2025. As at 31 August, the Group had received partial of the total consideration of HK\$194,000,000 (equivalent to RMB178,984,000), and the remaining HK\$46,000,000 (equivalent to RMB41,932,000) was received on November 2025.

The Group had receivables due from TEDCO and its subsidiaries, which were no longer internally offset within the Group upon the disposal of TEDCO and its subsidiaries. Based on related payments schedule agreed by the Group and TEDCO and its subsidiaries, upon the disposal of TEDCO and its subsidiaries, the Group recognised a receivable from third parties with fair value of USD15,068,000 (equivalent to RMB107,029,000), and expected credit losses of USD62,000 (equivalent to RMB442,000) were recognised for the year ended 31 August 2025.

The Directors classified the Group's disposed Thailand operations of TEDCO and its subsidiaries as discontinued operations and the results of the discontinued operations were presented separately in the Group's consolidated financial statements for the year ended 31 August 2025. The comparative information relating to the discontinued operations has been re-presented to conform to the current year's presentation.

Upon the completion of the disposal of TEDCO and its subsidiaries on 31 May 2025, disposal gains of approximately RMB56,975,000 were recognised by the Group, representing the aggregate of the consideration of HK\$240,000,000 (equivalent to RMB220,916,000) and fair value of the receivable from TEDCO and its subsidiaries of USD15,068,000 (equivalent to RMB107,029,000), totally amounting to RMB327,945,000, in excess of the net assets relating to the discontinued operations as at 31 May 2025 amounting to RMB270,970,000.

The assets and liabilities relating to the discontinued operations as at 31 May 2025 were set out as below:

	As at 31 May 2025 RMB'000
Non-current assets	
Property, plant and equipment	99,155
Intangible assets	57,254
Right of use assets	113,965
Other non-current assets	4,275
Total non-current assets	274,649
Current assets	
Trade and other receivables	5,165
Cash and cash equivalents	131,467
Total current assets	136,632
Total assets	411,281
Liabilities	
Non-current liabilities	
Deferred income tax liabilities	30,900
Lease liabilities	949
Total non-current liabilities	31,849
Current liabilities	
Accruals and other payables	52,641
Contract liabilities	54,942
Lease liabilities	879
Total current liabilities	108,462
Total liabilities	140,311
Net assets	270,970

The financial performance relating to the discontinued operations for the nine months ended 31 May 2025 and for the year ended 31 August 2024 were set out as below:

	Nine months ended 31 May 2025 RMB'000	Year ended 31 August 2024 RMB'000
Revenue	92,652	117,142
Cost of revenue	<u>(44,171)</u>	<u>(54,501)</u>
Gross profit	48,481	62,641
Selling expenses	(5,113)	(5,856)
Administrative expenses	(20,304)	(23,813)
Net impairment losses on financial assets	<u>196</u>	<u>(1,496)</u>
Operating profit	23,260	31,476
Finance income	6,529	1,961
Finance expenses	<u>(2,974)</u>	<u>(544)</u>
Finance income — net	<u>3,555</u>	<u>1,417</u>
Profit before income tax	26,815	32,893
Income taxation	<u>—</u>	<u>(3,609)</u>
Profit from discontinued operations	<u>26,815</u>	<u>29,284</u>
Other comprehensive income		
Remeasurements of post-employment benefit obligations	(66)	651
Currency translation differences	<u>(9,164)</u>	<u>(1,578)</u>
Other comprehensive income, net of tax	<u>(9,230)</u>	<u>(927)</u>
Total comprehensive income from discontinued operations	<u>17,585</u>	<u>28,357</u>

19 SUBSEQUENT EVENT

There is no significant subsequent event up to the date of these consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

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

The Group is committed to continuously enhancing its teaching quality and services to ensure the delivery of high-quality education to its students. As such, there has been no material changes in respect of the business of the Group since 31 August 2025.

The Group's Schools and Student Enrolment

As at 31 August 2025, the Group had 9 schools in China.

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

	As at 31 August 2025	As at 31 August 2024
The Group's schools in the PRC		
Universities and vocational college	4	4
High schools	5	5
The Group's schools overseas		
University	— ^(note 1)	1 ^(note 1)
Total	<u>9</u>	<u>10</u>

Note:

1. This represents Stamford International University, Thailand. The disposal of TEDCO and its subsidiaries (including Stamford International University) was completed on 31 May 2025. The financial results of these companies for the Reporting Period have been represented as discontinued operations in the Group's consolidated financial statements.

Events after the Reporting Period

Save as disclosed in this announcement, there has been no other significant events that might affect the Group after 31 August 2025 and up to the date of this announcement.

Future Development

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

Financial Review

1. Overview

For the year ended 31 August 2025, the Group recorded revenue of RMB2,496.8 million, an Adjusted Gross Profit of RMB1,185.7 million and a gross profit of RMB1,145.6 million. The Adjusted Gross Profit Margin¹ of the Group was 47.5% for the year ended 31 August 2025 as compared with 40.5% for the corresponding period in 2024. The gross profit margin was 45.9% for the year ended 31 August 2025 as compared with 38.8% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company for the year ended 31 August 2025 was RMB913.9 million, representing an increase of RMB446.7 million or a 95.6% increase from the corresponding period in 2024. The Adjusted Net Profit Margin² attributable to owners of the Company was 36.6% and 19.7% for the years ended 31 August 2025 and 31 August 2024, respectively.

¹ The Adjusted Gross Profit Margin is calculated based on the Adjusted Gross Profit. Please refer to the "Non-IFRS Measures" section of this announcement for details.

² The Adjusted Net Profit Margin attributable to owners of the Company is calculated based on the Adjusted Net Profit attributable to owners of the Company. Please refer to the "Non-IFRS Measures" section of this announcement for details.

The net profit attributable to owners of the Company amounted to RMB929.9 million and RMB398.7 million for the years ended 31 August 2025 and 31 August 2024, respectively. The net profit margin attributable to owners of the Company amounted to 37.2% and 16.8% for the years ended 31 August 2025 and 31 August 2024, respectively.

2. Revenue

For the year ended 31 August 2025, revenue of the Group amounted to RMB2,496.8 million, representing an increase of RMB128.7 million or 5.4% as compared with RMB2,368.2 million for the corresponding period of 2024. The increase was primarily due to the increase in student enrolment from several schools.

3. Cost of Revenue

For the year ended 31 August 2025, the cost of revenue of the Group amounted to RMB1,351.2 million, representing a decrease of RMB97.3 million or 6.7% as compared with RMB1,448.5 million for the corresponding period in 2024. The Adjusted Cost of Revenue³ of the Group amounted to RMB1,311.1 million, representing a decrease of RMB97.1 million or 6.9% as compared with RMB1,408.2 million for the corresponding period of 2024.

4. Gross Profit and Gross Profit Margin

For the year ended 31 August 2025, the Group's gross profit amounted to RMB1,145.6 million and RMB919.7 million for the years ended 31 August 2025 and 31 August 2024, respectively. The Group's gross profit margin amounted to 45.9% and 38.8% for the years ended 31 August 2025 and 31 August 2024, respectively. The improvement in gross profit margin was primarily attributable to revenue growth and a reduction in costs and expenses due to strengthened cost management during the Reporting Period.

The Adjusted Gross Profit of the Group amounted to RMB1,185.7 million, representing an increase of RMB225.7 million or 23.5% as compared with RMB960.0 million for the corresponding period in 2024. The Adjusted Gross Profit Margin of the Group for the year ended 31 August 2025 was 47.5%, compared with 40.5% for the corresponding period in 2024.

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

5. *Selling Expenses*

For the year ended 31 August 2025, the selling expenses of the Group amounted to RMB19.7 million, representing a decrease of RMB1.8 million or 8.5% from RMB21.5 million during the corresponding period in 2024. The decrease was primarily due to reduced marketing and promotional spending.

6. *Administrative Expenses*

For the year ended 31 August 2025, the administrative expenses of the Group amounted to RMB241.4 million and RMB256.9 million for the years ended 31 August 2025 and 31 August 2024, respectively. The decrease is primarily due to strengthened cost control. The Adjusted Administrative Expenses⁴ of the Group amounted to RMB231.7 million, representing a decrease of RMB15.4 million as compared with RMB247.1 million for the corresponding period in 2024.

7. *Other Income*

For the year ended 31 August 2025, the other income of the Group amounted to RMB17.5 million, representing an increase of RMB2.9 million as compared with RMB14.6 million for the corresponding period in 2024. This increase was primarily due to higher auxiliary and examination fee income.

8. *Other Gains and Losses*

For the year ended 31 August 2025, the other gains and losses of the Group amounted to a net gain of RMB13.8 million as compared with a net loss of RMB254.2 million for the corresponding period in 2024. The net gain mainly reflected the gains from the disposal of subsidiaries in Thailand and the net gains/losses arising from the Convertible Bonds.

9. *Operating Profit*

The Operating Profit of the Group amounted to RMB913.5 million for the year ended 31 August 2025, representing an increase of RMB514.9 million or 129.2% as compared with RMB398.6 million for the corresponding period in 2024. The Operating Profit Margin amounted to 36.6% and 16.8% for the year ended 31 August 2025 and 31 August 2024, respectively.

⁴ Adjusted Administrative Expenses are calculated as administrative expense for the period, excluding the impact from share-based compensation.

10. Finance Income

Finance income decreased by 19.4% from RMB22.9 million for the year ended 31 August 2024 to RMB18.5 million for the corresponding period in 2025 due to a decline in interest income.

11. Finance Expenses

Finance expenses decreased from RMB57.4 million for the year ended 31 August 2024 to RMB33.7 million for the corresponding period in 2025 due to a reduction in interest expenses.

12. Profit for the Period from Discontinued Operations

As at 31 August 2025, following the completion of the disposal of TEDCO and its subsidiaries (including Stamford International University, Thailand) on 31 May 2025, the net profit from these companies for the year ended 31 August 2025 and 2024, amounting to RMB26.8 million and RMB29.3 million respectively, has been presented separately as profit for the period from discontinued operations.

13. Profit for the Reporting Period

As a result of the above factors, the Group recorded a net profit attributable to owners of the Company of RMB929.9 million for the year ended 31 August 2025, representing an increase of RMB531.1 million or 133.2% as compared with RMB398.7 million for the corresponding period in 2024. The net profit margin attributable to owners of the Company for the year ended 31 August 2025 was 37.2%, compared to 16.8% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company was RMB913.9 million for the year ended 31 August 2025, representing an increase of RMB446.7 million or 95.6% as compared with RMB467.2 million for the corresponding period in 2024. In addition, the Adjusted Net Profit Margin attributable to owners of the Company amounted to 36.6% and 19.7% for the years ended 31 August 2025 and 31 August 2024, respectively.

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

14. *Liquidity and Source of Funding and Borrowing*

As at 31 August 2025, the Group's cash and cash equivalents decreased by 17.2% from RMB2,090.5 million as at 31 August 2024 to RMB1,730.4 million as at 31 August 2025. The decrease was primarily due to repayments of borrowings and the redemption and repurchase of convertible bonds during the period.

As at 31 August 2025, the current assets of the Group amounted to RMB1,879.2 million, including RMB1,732.6 million in cash and restricted cash, RMB46.6 million in term deposits with initial term of over three months and RMB99.9 million in trade and other receivables. The current liabilities of the Group amounted to RMB2,516.3 million, of which RMB1,389.2 million was accruals and other payables, RMB283.0 million was borrowings, RMB840.6 million was contract liabilities, and RMB3.5 million was lease liabilities. As at 31 August 2025, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 0.75 (31 August 2024: 0.53).

15. *Gearing Ratio*

As at 31 August 2025, the gearing ratio of the Group, which was calculated as total interest-bearing bank loans divided by total equity, was approximately 7.2% (31 August 2024: 18.4%).

16. *Significant Investments*

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 31 August 2025) during the year ended 31 August 2025.

17. *Material Acquisitions and Disposals*

Save for the disposal of the subsidiaries as set out in note 18 to the financial statements in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended 31 August 2025.

18. *Pledge of Assets*

As at 31 August 2025, the Group had no borrowings secured by pledge of assets.

19. *Contingent Liabilities*

The Group had no significant contingent liabilities as at 31 August 2025.

20. *Foreign Exchange Exposure*

During the year ended 31 August 2025, the Group mainly operated in China and the majority of the transactions were settled in Renminbi (“**RMB**”), the Company’s primary consolidated affiliated entities’ functional currency. The Group’s acquisition of a university in Thailand exposes the Group to foreign exchange risk. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary. As at 31 August 2025, except for the bank deposits and receivables from the disposed subsidiaries in Thailand denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

21. *Employee and Remuneration Policy*

The Group formulates and implements its employee and remuneration policy in line with its operational requirements and business development. Employees’ remuneration is determined in accordance with prevailing industry practice and employees’ educational backgrounds, experiences and performance. The remuneration policy and package of the Group’s employees are periodically reviewed. As required by the PRC laws and regulations, the Company participates in various employee social security plans for its employees that are administered by local governments, including among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance.

The Group believes in the importance of attracting, recruiting and retaining of quality employees (in particular teachers) in achieving the Group’s success. The Group provides training for teachers to equip them with teaching skills and techniques and stay abreast of the changes in student demands and teaching methodologies, changing testing and admission standards and other trends. During each school year, the Group monitors the teaching quality of its teachers and evaluates the performance of its teachers from time to time. During the year ended 31 August 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

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

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

The total remuneration cost incurred by the Group for the year ended 31 August 2025 was RMB595.6 million (for the year ended 31 August 2024: RMB664.4 million).

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

As of 31 August 2025, the Group did not have other plans for material investments and capital assets.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the year ended 31 August 2025.

ANNUAL GENERAL MEETING AND PERIOD OF CLOSURE OF REGISTER OF MEMBERS

The Company will arrange the time for convening the annual general meeting (the “**AGM**”) as soon as practicable. A notice and circular convening the AGM will be published and dispatched to the shareholders of the Company, where applicable, in a manner required by the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Once the date of the AGM is finalized, the Company will publish the period of closure of register of members of the Company in a separate announcement and in the notice of the AGM.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on 25 April 2016 with limited liability, and the shares of the Company were listed on the Main Board of the Stock Exchange on 28 February 2017.

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

1. Compliance with the Code on Corporate Governance Practices

For the year ended 31 August 2025, the Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. Further information of the corporate governance practice of the Company will be disclosed in the annual report of the Company for the year ended 31 August 2025.

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

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

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

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the year ended 31 August 2025. No incident of non-compliance of the Model Code was noted by the Company during the Reporting Period.

3. Scope of Work of the Company’s Auditors

The figures contained in this announcement of the Group’s consolidated results for the year ended 31 August 2025 have been agreed by the Company’s auditor (the “**Auditors**”), to the figures set out in the audited consolidated financial statements of the Group for the year ended 31 August 2025. The Auditors performed this work in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-upon Procedures Regarding Financial Information” and with reference to Practice Note 730 (Revised) “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The work performed by the Auditors in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditors on this announcement.

4. Audit Committee

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

The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 August 2025 and has met with the independent auditor, PricewaterhouseCoopers. 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.

5. Other Board Committees

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

6. Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules)) during the year ended 31 August 2025. The Company did not hold any treasury shares (as defined under the Listing Rules) as at 31 August 2025.

7. Unlisted Warrants

On 25 August 2025, the Company issued 181,999,988 unlisted warrants (number due to rounding) at nil issue price to the bondholders who voted in favour of the Extraordinary Resolution, on a pro rata basis, as a consent fee. Each warrant entitles the holder to subscribe in cash for one new ordinary share of the Company at an initial subscription price of HK\$0.50 per share (subject to adjustments) at any time during the period from the date of issue up to and including 25 August 2028. Assuming full exercise of the warrants at the initial exercise price of HK\$0.50 per share, 181,999,988 new shares of the Company will be issued.

Please refer to the announcements of the Company dated 17 January 2025, 10 February 2025 and 11 August 2025 and the Company's circular dated 18 July 2025 for further details about the warrants.

8. Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as of 31 August 2025.

9. Building Certificates and Permits

As at 31 August 2025, in relation to owned buildings or groups of buildings other than those associated with the HIEU Schools (the “**Non-HIEU Schools Owned Buildings**”), the Group had not obtained proper building ownership certificates or other requisite certificates or permits for 11 of the 32 Non-HIEU Schools Owned Buildings, due in part to changes to the urban planning in the cities which the Group operates, administrative oversight by the Group’s management and their unfamiliarity with the relevant regulatory requirements. The Group is in the process of applying to relevant government authorities for the relevant outstanding certificates and permits and are closely following up with the government authorities with respect to the applications. Please also refer to the section headed “Business — Properties — Owned Properties — Buildings or Groups of Buildings” in the Prospectus for further details. There have been no updates in this regard since the publication of the Prospectus.

As at 31 August 2025, the Company was in the process of applying for, but had not yet obtained, the proper certificates in relation to 48 buildings currently occupied by the HIEU Schools. The Company understands that the lack of certificates in relation to these buildings will not prejudice the ability of the Company to operate the HIEU Schools and that the buildings are fit and safe for education purposes. For further details, please refer to the Company’s circular dated 29 June 2018.

PUBLICATION OF THE 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.yuhuachina.com. The annual report of the Group for the year ended 31 August 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched (if applicable) to the Company’s shareholders in due course.

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

Hong Kong, 28 November 2025

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