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CHINA CHUNLAI EDUCATION GROUP CO., LTD.

中國春來教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1969)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2025

HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Chunlai Education Group Co., Ltd. (the “**Company**”, together with its subsidiaries and its 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 audited consolidated annual results of the Group have been reviewed by the Company’s audit committee together with the management of the Company.

	Year ended 31 August		
	2025	2024	Change (%)
(RMB in thousands, except percentages)			
Revenue	1,790,614	1,631,496	9.8%
Gross profit	970,712	955,503	1.6%
Profit before taxation	846,942	786,913	7.6%
Profit for the year	835,546	778,171	7.4%
Non-IFRS Measure:			
Adjusted net profit ¹	836,875	789,883	5.9%

Note:

- (1) Adjusted net profit is calculated as profit for the year excluding (i) share-based compensation, and (ii) foreign exchange (gain)/loss. For details of the reconciliation of the profit for the year to the adjusted net profit of the Group, please refer to the section headed “Financial Review” in this announcement.

Non-IFRS Measure

To supplement the Group's audited consolidated financial statements which are presented in accordance with the IFRS Accounting Standards ("**IFRS**"), the Company also uses adjusted net profit as an additional financial measure. The Company presents this non-IFRS measure because it is used by the management of the Company to evaluate the Group's financial performance by eliminating the impact of items that the Company does not consider indicative of the performance of the Group's business. The Company also believes that this non-IFRS measure provides additional information to shareholders, investors and others in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the management of the Group and in comparing financial results across accounting periods and to those of peer companies. However, the Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	3	1,790,614	1,631,496
Cost of revenue		<u>(819,902)</u>	<u>(675,993)</u>
Gross profit		970,712	955,503
Other income	4	137,394	128,788
Other gains and losses, net	5	3,665	(7,752)
Selling expenses		(4,374)	(3,929)
Administrative expenses		<u>(197,486)</u>	<u>(189,977)</u>
Profit from operations		909,911	882,633
Finance costs	6	<u>(62,969)</u>	<u>(95,720)</u>
Profit before tax		846,942	786,913
Income tax expenses	7	<u>(11,396)</u>	<u>(8,742)</u>
Total comprehensive income for the year		<u>835,546</u>	<u>778,171</u>
Earnings per share	8		
Basic (RMB cents per share)		<u>70</u>	<u>65</u>
Diluted (RMB cents per share)		<u>68</u>	<u>63</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	10	3,226,462	3,161,911
Intangible asset	11	188,000	188,000
Right-of-use assets		776,736	760,590
Prepayment for cooperation agreements	12	800,111	800,111
Other non-current assets	13	138,906	337,776
		<u>5,130,215</u>	<u>5,248,388</u>
Current assets			
Trade and other receivables	14	1,771,717	1,214,535
Amount due from a shareholder		7	7
Cash and cash equivalents		832,303	790,900
		<u>2,604,027</u>	<u>2,005,442</u>
Current liabilities			
Accruals and other payables	15	437,187	395,688
Deferred revenue		754	1,541
Contract liabilities		681,680	693,444
Lease liabilities		736	–
Borrowings	16	1,277,981	1,728,005
Current tax liabilities		42,041	30,772
		<u>2,440,379</u>	<u>2,849,450</u>
Net current assets/(liabilities)		<u>163,648</u>	<u>(844,008)</u>
Total assets less current liabilities		<u>5,293,863</u>	<u>4,404,380</u>
Non-current liabilities			
Deferred revenue		888	292
Lease liabilities		569	–
Borrowings	16	680,549	520,185
		<u>682,006</u>	<u>520,477</u>
NET ASSETS		<u>4,611,857</u>	<u>3,883,903</u>
Capital and reserves			
Share capital	17	10	10
Reserves		4,611,847	3,883,893
TOTAL EQUITY		<u>4,611,857</u>	<u>3,883,903</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands (2025 Revision, as consolidated and revised) on 15 November 2017. The address of registered office of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The address of principal place of business of the Company in Hong Kong is 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. Its ultimate holding company is Chunlai Investment Co., Limited ("**Chunlai Investment**"), which was incorporated in the British Virgin Islands ("**BVI**"), and its ultimate controlling shareholder is Mr. Hou Junyu ("**Mr. Hou**"). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 13 September 2018.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher education institutions in the People's Republic of China (the "**PRC**"). The Company, and its subsidiaries and its consolidated affiliated entities are collectively referred to as the "**Group**".

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") that are relevant to its operations and effective for its accounting year beginning on 1 September 2024. IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS**"); International Accounting Standards ("**IAS**") and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Group is mainly engaged in the operation of private higher education institutions in the PRC. Revenue represents tuition and boarding fees from education institutions less sales related tax.

Information reported to the Group's chief operating decision maker, Mr. Hou, for the purpose of resource allocation and assessment of segment performance is on a school by school basis. Each individual school constitutes an operating segment. The services provided and type of customers are similar in each operating segment, and each operating segment is subject to similar regulatory environment. Accordingly, their segment information is aggregated as a single reportable segment which is the same as the consolidated statement of profit or loss and other comprehensive income.

	2025 RMB'000	2024 RMB'000
Tuition fees	1,636,432	1,486,406
Boarding fees	154,182	145,090
Total revenue	<u>1,790,614</u>	<u>1,631,496</u>

All revenue is recognised over time. The Group primarily operates in the PRC. All of the Group's revenue was generated in the PRC and all of the Group's non-current assets are located in the PRC.

No single customer contributes 10% or more of total revenue of the Group during the year ended 31 August 2025 (2024: nil).

Revenue is recognised over the relevant period of schooling semesters, i.e. over the period of time when the students simultaneously receive and consume the benefits provided by the Group.

Tuition and boarding fees are generally received in advance prior to the beginning of each school year, and are initially recorded as contract liabilities. The fees are recognised proportionately over the relevant period of the applicable programme. The portion of the fees received from students but not earned is recorded as contract liabilities under current liabilities as such amounts represent revenue that the Group expects to earn within one year.

4. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants (<i>note i</i>)	10	3,254
Interest income	11,407	8,491
Service income	66,038	60,920
Consultancy income from Tianping College (<i>note ii</i>)	9,434	14,151
Interest income from Tianping College (<i>note iii</i>)	41,042	27,500
Ancillary services income (<i>note iv</i>)	5,817	7,305
Others	3,646	7,167
	<u>137,394</u>	<u>128,788</u>

Notes:

- (i) Government grants mainly represent unconditional subsidies from government for recognition of the relevant academic performance of the schools of the Group.
- (ii) It represents the provision of technical and management consultancy services to Tianping College.
- (iii) It represents the interest income of 4.75% per annum from the advance to Tianping College by the Group.
- (iv) It mainly represents the teaching material fee income recognised the net of the refund of teaching material fee to students, and discounted amount paid to ancillary services providers as well as the original teaching material fee.

5. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Gain on disposals of property, plant and equipment	1,706	76
Gain on forfeit of share options (<i>note i</i>)	–	493
Net foreign exchange gain/(loss)	<u>1,959</u>	<u>(8,321)</u>
	<u>3,665</u>	<u>(7,752)</u>

Note:

- (i) It represents the gain on forfeiture of unvested share options held by various staffs upon their resignation during the year ended 31 August 2024.

6. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expenses in relation to:		
– Bank borrowings	50,505	51,993
– Borrowings from non-banking institutions	14,149	47,408
– Lease liabilities	12	–
	<u>64,666</u>	<u>99,401</u>
Less: capitalised in construction in progress	<u>(1,697)</u>	<u>(3,681)</u>
	<u>62,969</u>	<u>95,720</u>

Borrowing costs on funds borrowed generally are capitalised at a rate of 3.29% per annum in 2025 (2024: 5.4%).

7. INCOME TAX EXPENSES

	2025 RMB'000	2024 RMB'000
Current tax – PRC Enterprise Income Tax (“EIT”)	<u>11,396</u>	<u>8,742</u>

The Company was incorporated in the Cayman Islands while Chunlai BVI was incorporated in the BVI, both jurisdictions are tax exempted.

No provision for Hong Kong profits tax was provided as the Group did not have assessable profits arising in Hong Kong during the year ended 31 August 2025 (2024: nil).

EIT is provided on taxable profits of entities established in the PRC. Pursuant to the Enterprise Income Tax Law of the PRC (the “EIT Law”), the EIT rate was 25% during the year ended 31 August 2025 (2024: 25%).

Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University, Anyang University Yuanyang Campus, Hubei Jiankang Vocational College, and Jingzhou College enjoyed tax exemption for tuition related income during the year ended 31 August 2025 (2024: nil).

8. EARNINGS PER SHARE

	2025	2024
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share (Profit attributable to owners of the Company) (in RMB'000)	<u>835,546</u>	<u>778,171</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Effect of dilutive potential ordinary shares:		
Pre-IPO share options	<u>31,272,028</u>	<u>31,884,765</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,231,272,028</u>	<u>1,231,884,765</u>

The computation of diluted earnings per share assumes the exercise of the Company's share options granted under the Pre-IPO Option Scheme as the potential ordinary shares are dilutive for the year ended 31 August 2025 and 2024.

9. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final dividend of RMBNil (2024: RMB0.0924 (equivalent to approximately HK\$0.1)) per ordinary share (<i>note i</i>)	–	110,880
Interim dividend for the six months ended 28 February 2025/29 February 2024 approved and paid/payable – RMBNil (2024: RMB0.0907) per ordinary share (<i>note ii</i>)	–	108,840
Final dividend for the year ended 31 August 2024/2023 approved and paid/payable – RMB0.0924 (equivalent to approximately HK\$0.1) (2023: RMB0.053) per ordinary share (<i>note iii</i>)	110,880	63,985

Notes:

- (i) The directors of the Company did not recommend the payment of final dividend for the year ended 31 August 2025.
- (ii) The interim dividend in respect of the six months ended 29 February 2024 of RMB0.0907 per ordinary share (equivalent to approximately HK\$0.1 per ordinary share) totaling approximately RMB108,840,000 (equivalent to approximately HK\$120,000,000) was declared and which approximately RMB107,527,000 (equivalent to approximately HK\$118,556,000) was paid during the year ended 31 August 2024, with approximately RMB1,346,000 (equivalent to approximately HK\$1,443,000) was paid during the year ended 31 August 2025, and with approximately RMB1,000 (equivalent to approximately HK\$1,000) remained payable during the year ended 31 August 2025.
- (iii) The final dividend in respect of the year ended 31 August 2023 of RMB0.053 per ordinary share (equivalent to approximately HK\$0.058 per ordinary share) totaling approximately RMB63,985,000 (equivalent to approximately HK\$69,600,000) was approved at the annual general meeting on 19 January 2024, which approximately RMB63,224,000 (equivalent to approximately HK\$68,763,000) was paid during the year ended 31 August 2024, and all remaining dividend was paid during the year ended 31 August 2025.

The final dividend in respect of the year ended 31 August 2024 of RMB0.0924 per ordinary share (equivalent to approximately HK\$0.1 per ordinary share) totaling approximately RMB110,880,000 (equivalent to approximately HK\$120,000,000) was approved at the annual general meeting on 10 January 2025, which approximately RMB111,733,000 (equivalent to approximately HK\$119,999,000) was paid during the year ended 31 August 2025, with approximately RMB1,000 (equivalent to approximately HK\$1,000) remained payable as at 31 August 2025.

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Cost						
At 1 September 2023	2,911,034	251,350	21,151	550,604	371,426	4,105,565
Additions	24,708	34,456	4,287	115,386	246,804	425,641
Disposals	(2,400)	(799)	(615)	(1,669)	–	(5,483)
Transfer from construction in progress	427,327	–	–	–	(427,327)	–
At 31 August 2024 and 1 September 2024	3,360,669	285,007	24,823	664,321	190,903	4,525,723
Additions	11,986	34,676	3,476	65,844	215,946	331,928
Disposals	–	(84)	(2,131)	(8,481)	–	(10,696)
Transfer from construction in progress	163,165	–	–	6,091	(169,256)	–
At 31 August 2025	3,535,820	319,599	26,168	727,775	237,593	4,846,955
Accumulated depreciation						
At 1 September 2023	682,174	155,772	14,015	265,941	–	1,117,902
Charge for the year	157,402	32,633	1,411	56,021	–	247,467
Disposals	(188)	(612)	(569)	(188)	–	(1,557)
At 31 August 2024 and 1 September 2024	839,388	187,793	14,857	321,774	–	1,363,812
Charge for the year	166,840	32,387	1,546	59,312	–	260,085
Disposals	–	(64)	(1,707)	(1,633)	–	(3,404)
At 31 August 2025	1,006,228	220,116	14,696	379,453	–	1,620,493
Carrying amount						
At 31 August 2025	2,529,592	99,483	11,472	348,322	237,593	3,226,462
At 31 August 2024	2,521,281	97,214	9,966	342,547	190,903	3,161,911

As of 31 August 2025, the Group was in the process of obtaining the property certificates for certain buildings with an aggregate carrying value of RMB1,453,137,000 (2024: RMB1,398,507,000) which are located in the PRC.

At 31 August 2024, the carrying amount of property, plant and equipment pledged as security for the Group's other loans amounted to RMB407,890,000. During the year ended 31 August 2025, the pledge of property, plant and equipment released as the secured loans were fully settled.

11. INTANGIBLE ASSET

**School
operation right**
RMB'000

Cost:

As at 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025 188,000

As at 31 August 2025 and 2024, intangible asset represent a school operation right of Jingzhou College. The school operation right is stated at cost and not amortised while its useful life is assessed to be indefinite.

The recoverable amount of the intangible asset of RMB188,000,000 has been determined on the basis of value in use using discounted cash flow method (level 3 fair value measurements). The discount rate used was 13% (2024: 12%). The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 2% (2024: 3%). This rate does not exceed the average long-term growth rate for the relevant markets.

12. PREPAYMENT FOR COOPERATION AGREEMENTS

2025
RMB'000 **2024**
RMB'000

Prepayment for cooperation agreements – Tianping College 800,111 800,111

Tianping College of Suzhou University of Science and Technology (“**Tianping College**”) is an independent college and originally sponsored by Suzhou University of Science and Technology and the Suzhou University of Science and Technology Education Development Foundation (the “**Foundation**”) in Jiangsu Province, PRC. In August 2019, the Group entered into an agreement which authorised the Group the right to transfer the sponsorship of Tianping College from Suzhou University of Science and Technology and the Foundation at a consideration of approximately RMB800,111,000 that has been fully paid during the year ended 31 August 2022. Up to the date of this announcement, the transfer of sponsorship has not yet been completed as the transfer is still in progress. Upon the completion of transfer, the payment for the agreement of approximately RMB800,111,000 (2024: approximately RMB800,111,000) will be treated as the consideration of the acquisition of Tianping College.

13. OTHER NON-CURRENT ASSETS

2025
RMB'000 **2024**
RMB'000

Prepayments/deposits paid for acquisition of property, plant and equipment	88,778	2,732
Pledged deposit (<i>note i</i>)	–	285,044
Rental deposit	128	–
Deposit paid (<i>note ii</i>)	<u>50,000</u>	<u>50,000</u>
	<u>138,906</u>	<u>337,776</u>

Notes:

- (i) As at 31 August 2024, pledged deposits of RMB1,440,000 are secured for borrowings of RMB207,163,000. During the year ended 31 August 2025, pledged deposits of RMB1,440,000 were released as secured borrowing of RMB207,163,000 was fully settled.

As at 31 August 2024, offshore foreign deposit of USD40,000,000 (equivalent to RMB283,604,000) is treated as a security to borrow an equivalent onshore loan denominated in RMB in the PRC from a third party with repayment date of July 2026. The offshore foreign deposit was reclassified as current asset accordingly as at 31 August 2025.

- (ii) Deposit paid of RMB50,000,000 represents the refundable security deposit paid to Suzhou University of Science and Technology.

To guarantee that the Group will safeguard the school facilities and reputation of Suzhou University of Science and Technology and that the Group will operate the Tianping College properly, the Group paid RMB50,000,000 as security deposit and provided a guarantee of RMB150,000,000 (the “**Guarantee**”) to Suzhou University of Science and Technology. The Guarantee is provided by a financial institution, Mr. Hou and the Company.

14. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Tuition and boarding fee receivables (<i>note i</i>)	143,527	116,944
Service income receivables	61,004	133,684
Consultancy income receivables from Tianping College	50,000	40,000
Interest receivables from Tianping College	99,087	58,045
Advance to a third party (<i>note ii</i>)	153,860	97,860
Advance to Tianping College (<i>note iii</i>)	936,100	722,700
Other receivables	17,549	19,402
Interest receivables	18,451	11,751
Prepaid expenses	6,882	2,649
Pledged deposit (<i>note iv</i>)	285,257	11,500
	<u>1,771,717</u>	<u>1,214,535</u>

Notes:

- (i) The students are required to pay tuition and boarding fees in advance for the upcoming school years, which normally commences in August or September. The outstanding receivables mainly represent amounts related to the registered students who have applied for the delayed payment of tuition fees and boarding fees. These delay payments were primarily due to the application of students' loan, which generally take a few months to be settled from governmental institutions. There is no fixed credit term for payments. The Group's tuition receivables were due to a large number of individual students, there is no significant concentration of credit risk and no impairment is considered necessary based on the historical settlement pattern from students. The Group does not hold any collateral or other credit enhancement over its tuition receivables balance.

An ageing analysis of tuition and boarding fee receivables as at the end of the reporting period, based on the transaction date, is as follows:

	2025 RMB'000	2024 RMB'000
0-180 days	87,221	68,468
181-365 days	13,366	31,598
Over 1 year	42,940	16,878
	<u>143,527</u>	<u>116,944</u>

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all tuition and boarding fee receivables. To measure the expected credit losses, tuition and boarding fee receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	0-180 days	181-365 days	Over 1 year	Total
At 31 August 2025				
Weighted average expected loss rate	0%	0%	0%	0%
Receivable amount (RMB'000)	87,221	13,366	42,940	143,527
Loss allowance (RMB'000)	—	—	—	—
At 31 August 2024				
Weighted average expected loss rate	0%	0%	0%	0%
Receivable amount (RMB'000)	68,468	31,598	16,878	116,944
Loss allowance (RMB'000)	—	—	—	—

- (ii) As at 31 August 2025, the advance with principal amount of RMB92,860,000 (2024: RMB92,860,000) is unsecured, interest bearing at 6% per annum (2024: 6% per annum) and repayable in February 2026 (2024: repayable in February 2025).

As at 31 August 2025, the advance with principal amount of RMB5,000,000 (2024: RMB5,000,000) is unsecured, interest bearing at 4.75% per annum (2024: 4.75% per annum) and repayable in February 2026 (2024: repayable in August 2025).

As at 31 August 2025, the advance with principal amount of RMB56,000,000 is unsecured, interest bearing at 3% per semi-annum and repayable in March 2026.

- (iii) As at 31 August 2025, the advance to Tianping College with principal amount of RMB936,100,000 (2024: RMB722,700,000) was unsecured, interest bearing at 4.75% per annum (2024: 4.75% per annum) and repayable in August 2026 (2024: repayable in August 2025).
- (iv) As at August 2024, pledged deposits of RMB11,500,000 are secured for borrowings of RMB41,978,000. During the year ended 31 August 2025, pledged deposits of RMB11,500,000 were released as secured borrowing of RMB41,978,000 was fully settled.

Offshore foreign deposit of USD40,000,000 (equivalent to RMB285,257,000) is treated as a security to borrow an equivalent onshore loan denominated in RMB in the PRC from a third party. As at 31 August 2025, the repayment date of the onshore loan was July 2026. The offshore foreign deposit was classified as current asset accordingly as at 31 August 2025.

15. ACCRUALS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Interest payables	4,368	1,827
Accrued staff benefits and payroll	58,558	51,694
Payables for purchase of property, plant and equipment and construction	200,899	198,221
Receipt on behalf of ancillary services providers	62,766	60,381
Other payables, accruals and deposits received	85,938	61,376
Other taxes payables	24,656	20,115
Dividend payable	2	2,074
	437,187	395,688

16. BORROWINGS

	2025 RMB'000	2024 RMB'000
Secured and guaranteed (<i>note i</i>)	1,243,060	1,544,964
Secured and unguaranteed (<i>note ii</i>)	317,010	310,136
Unsecured and guaranteed (<i>note iii</i>)	398,460	393,090
	1,958,530	2,248,190
	2025 RMB'000	2024 RMB'000
The borrowings are repayable as follows:		
On demand or within one year	1,277,981	1,728,005
In the second year	680,549	465,332
In the third to fifth years, inclusive	–	54,853
	1,958,530	2,248,190
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,277,981)	(1,728,005)
Amount due for settlement after 12 months	680,549	520,185
The exposure of borrowings		
– Fixed rate	1,423,730	1,955,744
– Variable rate	534,800	292,446
	1,958,530	2,248,190

Notes:

- (i) Certain bank borrowings of RMB1,243,060,000 (2024: RMB1,091,216,000) were secured and/or guaranteed by the followings:
- (a) secured by the rights to receive the tuition fees of Anyang University, Shangqiu University, Shangqiu University Kaifeng Campus and Anyang University Yuanyang Campus (collectively the “**Schools**”). The amount of the secured receivables as at 31 August 2025 and 31 August 2024 are RMB107,906,000 and RMB86,240,000 respectively;
 - (b) guaranteed by Mr. Hou, Ms. Song Mengmeng (“**Ms. Song**”) and Ms. Jiang Shuqin (“**Ms. Jiang**”) jointly and severally;
 - (c) guaranteed by the Company and several subsidiaries of the Company;
 - (d) secured by deposits of RMB12,940,000 as at 31 August 2024 and the pledged deposits were released as certain secured borrowing was fully settled during the year ended 31 August 2025; and
 - (e) secured by a pledged bank deposits amounted to RMB232,156,000 (2024: RMB115,000,000).

As at 31 August 2024, certain borrowing with carrying amount of RMB453,748,000 was secured by the Group’s property, plant and equipment of RMB407,890,000 and guaranteed by Mr. Hou, Ms. Song and Ms. Jiang. During the year ended 31 August 2025, the pledge of property, plant and equipment were released as the secured loans were fully settled.

- (ii) A loan from a third party with carrying amount of RMB317,010,000 (2024: RMB310,136,000) is secured by a deposit of USD40,000,000 (equivalent to approximately RMB285,257,000 (2024: RMB283,604,000) (Notes 13 and 14)).
- (iii) Certain bank borrowings were unsecured and guaranteed by Mr. Hou, Ms. Song and Ms. Jiang jointly and severally and guaranteed by several subsidiaries of the Company.

All borrowings are denominated in RMB. The variable-rate borrowings carry interest with reference to the benchmark borrowing rate of the People's Bank of China.

The range of effective interest rates per annum (which are also equal to contracted interest rates) on the Group's borrowings is as follows:

	2025	2024
Effective interest rate:		
Fixed-rate	2.40% – 9.43%	2.50% – 9.43%
Variable-rate	2.50% – 5.35%	3.45% – 5.35%

17. SHARE CAPITAL

	Number of shares	Amount HK\$	Amount RMB	Amount RMB'000
Ordinary shares of HK\$0.00001 each				
Authorised:				
As at 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	50,000,000,000	500,000	424,570	425
Issued and fully paid:				
As at 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	1,200,000,000	12,000	9,867	10

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The formal education system in the People's Republic of China (“PRC” or “China”) comprises fundamental education, which includes education from preschool to high school, secondary vocational education and higher education. Formal higher education can be further categorised into junior colleges and universities. Junior colleges only offer junior college programmes while universities can offer both junior college programmes and bachelor's degree programmes.

The Private Higher Education Industry in China

The private higher education industry in China has experienced rapid growth since the beginning of the 1990s as the relevant government authorities made great endeavour in developing the regulatory framework for private higher education. The number of student enrolments in private higher education in China has continued to increase in recent years, with more and more students having chosen to go to private universities or colleges instead of public schools. According to Frost & Sullivan, the total number of private higher education institutions in China has been growing continuously, and the development of private higher education is primarily driven by a number of factors, including (i) support by PRC government policies and initiatives; (ii) increasing resident income and demand for higher education; (iii) growing market demand for technical talents; and (iv) increasing diversification and strengthened education quality. With the help of these factors, the rapid growth in higher education in China is expected to continue, and the private higher education landscape remains competitive.

Business Review

The Company is one of the leading providers of private higher education in China. Since our inception in 2004, we have grown to operate four universities/colleges in Henan Province, namely Shangqiu University* (商丘學院) (“**Shangqiu University**”), Shangqiu University Applied Science and Technology College* (商丘學院應用科技學院) (“**Shangqiu University Kaifeng Campus**”), Anyang University* (安陽學院) (“**Anyang University**”) and Anyang University Yuanyang Campus* (安陽學院原陽校區) (“**Anyang University Yuanyang Campus**”), and two colleges in Hubei Province, namely Hubei Jiankang Vocational College* (湖北健康職業學院) (“**Jiankang College**”) and Jingzhou College* (荊州學院) (“**Jingzhou College**”) (formerly known as Hubei College). We also participate in the operation of Tianping College of Suzhou University of Science and Technology* (蘇州科技大學天平學院) (“**Tianping College**”). We completed the acquisition of sponsor interest of Jingzhou College in May 2021 and have been actively working on the conversion of Tianping College into a standalone private ordinary college (see the paragraph headed “**Tianping College**” below). We believe that we have strong potential to further grow our business, and the private higher education market in China presents many market opportunities.

The schools operated under the Group closely focus on the goal of application-oriented talent training, attach importance to, and actively carry out, the integration of industry and education, strengthen school-enterprise cooperation, explore “diversified talent training, innovative practical education system”, and form their own characteristics and highlights. Our collaboration models include practice and training, joint transformation of research and development results, joint training of order classes, and joint construction of majors and laboratories, which have achieved good results.

Our Colleges

Shangqiu University

Shangqiu University is located in Shangqiu, Henan Province, the PRC. The predecessor of Shangqiu University was Huayu College of Henan Agricultural University* (河南農業大學華豫學院), which we co-founded with Henan Agricultural University in 2004. Shangqiu University currently offers 53 bachelor's degree majors, 38 junior college to bachelor's degree transfer majors, 41 junior college diploma majors, 13 combined vocational education and junior college diploma majors and 15 vocational education majors. Shangqiu University has also been approved to offer double-degree bachelor's degree majors in marketing, Chinese language and literature, economics, human resources management, and international economy and trade. For the 2024/2025 school year, Shangqiu University had a total enrolment of 26,165 students.

In April 2017, Shangqiu University established Chunlai College, a two-year honours degree programme that aims to promote comprehensive and individualised education of its selected students. During the second semester of the freshman year, Chunlai College selects top performing students from the university, offering them additional academic courses and scholarships. Chunlai College engages high-calibre faculty members and assigns each student a dedicated academic advisor to guide them in research and social practice activities. To increase the competitiveness of its enrollees, Chunlai College also offers courses that prepare students for graduate school entrance exams and civil service examinations.

Shangqiu University Kaifeng Campus

Shangqiu University Kaifeng Campus is located in Kaifeng, Henan Province, the PRC. It was established in 2013 as a branch college (下屬學院) of Shangqiu University. Shangqiu University Kaifeng Campus currently offers 30 bachelor's degree majors, 17 junior college to bachelor's degree transfer majors, 23 junior college diploma majors, 5 combined vocational education and junior college diploma majors and 7 vocational education majors. For the 2024/2025 school year, Shangqiu University Kaifeng Campus had a total enrolment of 15,499 students.

Anyang University

Anyang University is located in Anyang, Henan Province, the PRC. The predecessor of Anyang University was College of Humanities and Management of Anyang Normal University (安陽師範學院人文管理學院), which was co-founded by Anyang Normal University and Anyang Iron and Steel Group in 2003. Anyang University currently offers 46 bachelor's degree majors, 34 junior college to bachelor's degree transfer majors, 39 junior college diploma majors, 23 combined vocational education and junior college diploma majors and 14 vocational education majors. For the 2024/2025 school year, Anyang University had a total enrolment of 26,143 students.

Anyang University Yuanyang Campus

In April 2021, we established the Anyang University Yuanyang Campus. Anyang University Yuanyang Campus currently offers 23 bachelor's degree majors, 15 junior college diploma majors, and 18 junior college to bachelor's degree transfer majors. For the 2024/2025 school year, Anyang University Yuanyang Campus had a total enrolment of 13,045 students.

Jiankang College

Jiankang College is located in Xianning, Hubei Province, the PRC. By closely following the state's "Healthy China 2030" and "Aging Service and Industry" strategic development needs, Jiankang College has set up three departments and two divisions, including the Department of Nursing, the Department of Health Intelligent Engineering, the Department of Public Health, the Division of Basic Medicine, and the Division of Public Instruction, and offers 21 junior college diploma majors, namely nursing, midwifery, rehabilitation technology, dental medicine technology, health management, and rehabilitation engineering technology. For the 2024/2025 school year, Jiankang College had a total enrolment of 9,743 students.

Jingzhou College (formerly known as Hubei College)

Jingzhou College is located in Jingzhou, Hubei Province, the PRC. Jingzhou College currently offers 42 bachelor's degree majors, 17 junior college to bachelor's degree transfer majors and 22 junior college diploma majors. For the 2024/2025 school year, Jingzhou College had a total enrolment of 19,357 students.

Tianping College

As disclosed above, we also participate in the operation of Tianping College, which is currently located in Suzhou, Jiangsu Province, the PRC. Since the successful tender by the Group for the acquisition of Tianping College and the entering into of the relevant agreements in the second half of 2019, the Group has been actively working on the conversion of Tianping College into a standalone private ordinary college, which includes, among others (i) the relocation of the school to a new school site in Nanjing, Jiangsu Province, the PRC (with a planned land area of approximately 600,000 square meters and a planned construction area of approximately 530,000 square meters) and building infrastructure and construction on the site; and (ii) applying for a change of school sponsor.

Upon the commencement of operations at the new campus, the Company will apply for a change of school sponsor with the Ministry of Education. The change of school sponsor will involve, among others, submitting the relevant materials to the regulatory authorities, an audit on the assets, liabilities and equity of Tianping College, and an evaluation of the Nanjing campus by an expert group assigned by the Ministry of Education. If the evaluation results are satisfactory, the Ministry of Education will approve the change of school sponsor of Tianping College and issue the relevant change of school sponsor certificate. After the change of the school's sponsor is completed, Tianping College will be transformed into a standalone private ordinary college. The Company currently targets to complete the entire conversion process by September 2026. A key risk is potential delays in the timeline, which may be affected by multiple factors including regulatory procedures and unforeseen policy adjustments. Once the conversion is complete, Tianping College will become a consolidated affiliated entity of the Company.

Student Enrolment

The table below sets forth the enrolment statistics of our colleges for the 2023/2024 and 2024/2025 school years:

	Student enrolment⁽¹⁾ for the school year		Change in number of students	Percentage change (approximately)
	2024/2025	2023/2024		
Shangqiu University				
Bachelor's degree programmes	10,208	9,521	687	7.2%
Junior college to bachelor's degree transfer programmes	5,524	4,842	682	14.1%
Junior college diploma programmes ⁽²⁾	6,129	5,631	498	8.8%
Vocational education programmes ⁽³⁾	4,304	5,052	-748	-14.8%
School subtotal	26,165	25,046	1,119	4.5%
Shangqiu University Kaifeng Campus				
Bachelor's degree programmes	8,406	8,571	-165	-1.9%
Junior college to bachelor's degree transfer programmes	4,195	4,746	-551	-11.6%
Junior college diploma programmes ⁽²⁾	2,674	1,117	1,557	139.4%
Vocational education programmes ⁽³⁾	224	736	-512	-69.6%

	Student enrolment ⁽¹⁾ for the school year		Change in number of students	Percentage change (approximately)
	2024/2025	2023/2024		
School subtotal	15,499	15,170	329	2.2%
Anyang University				
Bachelor's degree programmes	10,483	9,951	532	5.3%
Junior college to bachelor's degree transfer programmes	3,700	5,764	-2,064	-35.8%
Junior college diploma programmes ⁽²⁾	8,722	8,307	415	5.0%
Vocational education programmes ⁽³⁾	3,238	4,716	-1,478	-31.3%
School subtotal	26,143	28,738	-2,595	-9.0%
Anyang University Yuanyang Campus				
Bachelor's degree programmes	7,329	7,354	-25	-0.3%
Junior college to bachelor's degree transfer programmes	4,974	2,641	2,333	88.3%
Junior college diploma programmes	742	266	476	178.9%
Vocational education programmes	–	527	-527	-100%
School subtotal	13,045	10,788	2,257	20.9%
Jiankang College				
Junior college diploma programmes	9,743	6,805	2,938	43.2%
School subtotal	9,743	6,805	2,938	43.2%
Jingzhou College				
Bachelor's degree programmes	7,696	7,476	220	2.9%
Junior college to bachelor's degree transfer programmes	2,227	2,076	151	7.3%
Junior college diploma programmes	9,434	7,202	2,232	31.0%
School subtotal	19,357	16,754	2,603	15.5%
Total number of students	109,952	103,301	6,651	6.4%

Notes:

- (1) As our school year typically ends in late June or early July, we present student enrolment statistics as of 30 June for the 2023/2024 and 2024/2025 school years.
- (2) Including (i) students enrolled in junior college diploma programmes and (ii) students enrolled in the last three years of combined vocational education and junior college diploma programmes.
- (3) Including (i) students enrolled in vocational education programmes and (ii) students enrolled in the first two years of combined vocational education and junior college diploma programmes.

For the 2024/2025 school year, the number of students enrolled increased by 6.4% from 103,301 in the prior school year to 109,952. The increase was primarily due to the increase in enrolment at Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University Yuanyang Campus, Jingzhou College and Jiankang College. We also achieved expected results through increasing our efforts and expanding our footprint, thereby driving solid momentum for future sustainable development.

The Group believes the educational philosophies of its schools and its well-developed curricula as well as its high graduate employment rates enable the Group to attract high-quality students who are seeking a pathway to satisfactory employment. In addition, our quality faculty team also played an important role in the success of the schools in the past, and will continue to do so in the future.

Student Recruitment

Our new student enrolment has historically been driven primarily by word-of-mouth referrals. We believe we have a good reputation in providing high quality education services in the PRC among our students and their parents. In addition, after over 20 years of operations, we have built a highly engaged and vibrant community of alumni, who we believe would assist us to continuously attract outstanding students. Other than referrals from alumni network, we also deploy a range of marketing and recruiting methods to attract students and increase enrolment at our colleges, such as information sessions, advertisements and brochures.

Our recruitment efforts, coupled with the quality and reputation of our education programmes, have helped us achieve high admission yields in our colleges that offer bachelor's degree programmes. For example, for the 2024/2025 school year, the overall yield of our five colleges that offer bachelor's degree programmes (being Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University, Anyang University Yuanyang Campus and Jingzhou College), as defined by the number of students who enrolled in a bachelor's degree programme divided by the number of students who were admitted in that programme, was 96.9%.

Our Teachers

We believe that our team of experienced and dedicated teachers is crucial to our success. As an operator of private schools, we can provide better incentives to qualified teachers who fit our hiring criteria. Teachers are the key factors to maintaining high-quality educational programmes and services as well as maintaining our brand and reputation. Our aim is to continue hiring teachers with a strong command of their respective subject areas who are open to innovative teaching methods and a caring heart towards students' well-being.

Strategic Initiative to Deploy the DeepSeek R1 Model

In line with our commitment to advancing artificial intelligence (“AI”) education and applications, we intend to deploy the DeepSeek R1 model as a strategic initiative to optimize student learning, enhance teacher instruction, and foster an environment and culture that positions our schools at the forefront of educational technology. At the initial stage of this strategic initiative, we plan to integrate the DeepSeek R1 Model into our AI education platforms developed in collaboration with Beijing Gravity Link Technology Co., Ltd* (北京引力互聯科技有限公司). For further details, please refer to the announcement of the Company dated 13 March 2025.

Sino-Foreign School Operation Cooperation Agreements

In November 2024, Anyang University and Shangqiu University entered into sino-foreign school operation cooperation agreements with Elite Education Institute in Australia and Anyang University entered into a sino-foreign school operation cooperation agreement with Massey University in New Zealand to establish in-depth strategic cooperation relationships with such institutions to promote their mutual aim of diversification and internationalization of education. Each of Anyang University and Shangqiu University is a wholly-owned sponsored school of the Company. For further details, please refer to the announcement of the Company dated 11 November 2024.

Future Development and Prospects

In order to continuously increase our total number of student enrolment, we plan to acquire additional land use rights and construct new education and living facilities, which, if materialized, we intend to fund from cash generated from our operation and external borrowings. We consider that the increase in capacity of school campus under our expansion plans is essential to accommodate our growth strategy of increasing student enrolment going forward. As each of our colleges generally requires its students to live in dormitories on school campus, a college's student enrolment is largely limited by the capacity of its student dormitories. Taking into account the gender specificity of our student dormitories and the gender mix of our students, there is currently limited capacity to accommodate significant growth in student enrolment. We expect to increase the capacity of our colleges progressively to strike a reasonable balance between student enrolment and utilisation of the school campuses. We believe the estimated increase in capacity is appropriate and will enable our colleges to grow sustainably. We consider that, given our track record of delivering quality private higher education and industry reputation, the education authorities in the PRC will be receptive to our application for increasing admission quota provided that we are able to demonstrate that we have sufficient school capacity, and adequate facilities available and quality education programmes to offer, which are fundamental to our expansion plans going forward.

FINANCIAL REVIEW

Overview

During the Reporting Period, we recorded a revenue of RMB1,790.6 million and a gross profit of RMB970.7 million. The gross profit margin was 54.2% for the year ended 31 August 2025 as compared with 58.6% for the corresponding period in 2024.

The net profit of the Group amounted to RMB835.5 million and RMB778.2 million for the years ended 31 August 2025 and 31 August 2024, respectively. The net profit margin of the Group amounted to 46.7% and 47.7% for the years ended 31 August 2025 and 31 August 2024, respectively.

The adjusted net profit of the Group for the Reporting Period was RMB836.9 million, representing an increase of RMB47.0 million or 5.9% from the corresponding period in 2024. The adjusted net profit margin of the Group was 46.7% and 48.4% for the years ended 31 August 2025 and 31 August 2024, respectively. The increase in adjusted net profit was mainly due to revenue growth fueled by an expansion in the student population.

Revenue

Our revenue increased by 9.8% from RMB1,631.5 million for the year ended 31 August 2024 to RMB1,790.6 million for the Reporting Period, primarily due to the increase in number of student enrolment.

Revenue from Shangqiu University increased by 8.3% from RMB384.3 million for the year ended 31 August 2024 to RMB416.1 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Shangqiu University Kaifeng Campus increased by 4.2% from RMB249.9 million for the year ended 31 August 2024 to RMB260.4 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Anyang University decreased by 2.5% from RMB430.1 million for the year ended 31 August 2024 to RMB419.3 million for the Reporting Period. The decrease was primarily due to the decrease in number of student enrolment.

Revenue from Anyang University Yuanyang Campus increased by 21.7% from RMB177.2 million for the year ended 31 August 2024 to RMB215.7 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Jiankang College increased by 42.5% from RMB96.7 million for the year ended 31 August 2024 to RMB137.8 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Jingzhou College increased by 16.4% from RMB293.2 million for the year ended 31 August 2024 to RMB341.3 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Overall, revenue from tuition fees and boarding fees increased by 10.1% and 6.3%, respectively, from the year ended 31 August 2024 to the Reporting Period.

Cost of Revenue

Our cost of revenue increased by 21.3% from RMB676.0 million for the year ended 31 August 2024 to RMB819.9 million for the Reporting Period. As a percentage of revenue, our cost of revenue increased from 41.4% for the year ended 31 August 2024 to 45.8% for the Reporting Period. The increase in cost of revenue was primarily due to higher staff costs caused by the increase in both employee headcount and salaries.

Gross Profit and Gross Margin

Our gross profit increased slightly by 1.6% from RMB955.5 million for the year ended 31 August 2024 to RMB970.7 million for the Reporting Period, and our gross profit margin decreased from 58.6% for the year ended 31 August 2024 to 54.2% for the Reporting Period.

Other Income

Our other income increased by 6.7% from RMB128.8 million for the year ended 31 August 2024 to RMB137.4 million for the Reporting Period. The increase was primarily due to the increase in the interest income from the advance to Tianping College.

Other Gains and Losses

We recorded other losses of RMB7.8 million for the year ended 31 August 2024, while we recorded other gains of RMB3.7 million for the Reporting Period. The increase compared to last year was due to net foreign exchange gains.

Selling Expenses

Our selling expenses increased by 11.3% from RMB3.9 million for the year ended 31 August 2024 to RMB4.4 million for the Reporting Period. The increase was primarily due to the increase of advertising expense in student recruitment promotion.

Administrative Expenses

Our administrative expenses increased by 4.0% from RMB190.0 million for the year ended 31 August 2024 to RMB197.5 million for the Reporting Period. The increase was primarily due to property management fees incurred from our newly hired property management company.

Finance Costs

Our finance costs decreased by 34.2% from RMB95.7 million for the year ended 31 August 2024 to RMB63.0 million for the Reporting Period. The decrease was primarily due to both a decrease in the scale of loan and a drop in the average loan interest rate.

Income Tax Expenses

We recorded income tax expenses of RMB8.7 million for the year ended 31 August 2024 as compared to income tax expenses of RMB11.4 million for the Reporting Period, due to the increase of taxable income.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 7.4% from RMB778.2 million for the year ended 31 August 2024 to RMB835.5 million for the Reporting Period.

Non-IFRS Measure – Adjusted Net Profit

Our adjusted net profit increased by 5.9% from RMB789.9 million for the year ended 31 August 2024 to RMB836.9 million for the Reporting Period. Adjusted net profit (as a non-IFRS measure) was calculated as profit for the year excluding (i) share-based compensation, and (ii) foreign exchange (gain)/loss. The following table reconciles profit for the year to adjusted net profit for both years:

For the year ended 31 August
2025 2024
(RMB in thousands)

Profit for the year	835,546	778,171
Add:		
Share-based compensation	3,288	3,391
Foreign exchange (gain)/loss	(1,959)	8,321
Adjusted net profit	836,875	789,883

Liquidity and Source of Funding and Borrowing

During the Reporting Period, the Company had funded the Group's cash requirements principally from cash generated from its operation and external borrowings. The Company had cash and cash equivalents of RMB790.9 million and RMB832.3 million as at 31 August 2024 and 2025, respectively. The Company generally deposits the Group's surplus cash in interest-bearing bank accounts and current accounts.

As of 31 August 2025, the Group's principal usage of cash was for funding of required working capital, capital expenditures and other recurring expenses to support the expansion of the Group's operations. Going forward, the Group's liquidity requirements will be satisfied by using funds from a combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time. Any significant decrease in number of student enrolment, or our tuition fees and boarding fees, or a significant decrease in the availability of bank loans or other financing may adversely impact the Group's liquidity.

Gearing Ratio

As at 31 August 2025, the gearing ratio of the Group, calculated as total borrowings divided by total equity as of the end of the year, was approximately 42.5%, representing a decrease of 15.4 percentage points as compared with 57.9% as at 31 August 2024. The decrease was due to the increase in total equity and reduction in borrowings.

Significant Investments

Save as disclosed in this announcement, 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 Company's total assets as at 31 August 2025) during the Reporting Period.

Material Acquisitions and Disposals

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the Reporting Period.

Pledge of Assets

1. On 20 March 2025, Anyang University* (安陽學院), as credit recipient, and Zhongyuan Bank Co. Ltd., Anyang Branch* (中原銀行股份有限公司安陽分行), as creditor (“**Zhongyuan Anyang**”), entered into a line of credit agreement (the “**Anyang Line of Credit Agreement**”), pursuant to which Zhongyuan Anyang agreed to make available a credit limit in the principal amount of up to RMB350,000,000 to Anyang University. Among other security provided, Anyang University entered into a rights pledge agreement with Zhongyuan Anyang, pursuant to which Anyang University agreed to pledge its rights in favour of Zhongyuan Anyang for its liabilities under the Anyang Line of Credit Agreement.
2. On 13 January 2025, Anyang University* (安陽學院) (as borrower) and Shanghai Pudong Development Bank Co., Ltd. Anyang Branch * (上海浦東發展銀行股份有限公司安陽分行) (as lender) (“**Pudong Anyang**”) entered into a working capital loan agreement (the “**Anyang Working Capital Loan Agreement**”), pursuant to which Pudong Anyang has agreed to make available a term loan of up to RMB240,000,000 to Anyang University. Among other security provided, Anyang University entered into an account receivables pledge agreement with Pudong Anyang, pursuant to which Anyang University agreed to pledge its account receivables in favour of Pudong Anyang for its liabilities under the Anyang Working Capital Loan Agreement.
3. On 13 January 2025, Shangqiu University* (商丘學院) (as borrower) and Shanghai Pudong Development Bank Co., Ltd. Shangqiu Branch * (上海浦東發展銀行股份有限公司商丘分行) (as lender) (“**Pudong Shangqiu**”) entered into a working capital loan agreement (the “**Shangqiu Working Capital Loan Agreement**”), pursuant to which Pudong Shangqiu has agreed to make available a term loan of up to RMB190,000,000 to Shangqiu University. Among other security provided, Shangqiu University entered into an account receivables pledge agreement with Pudong Shangqiu, pursuant to which Shangqiu University agreed to pledge its account receivables in favour of Pudong Shangqiu for its liabilities under the Shangqiu Working Capital Loan Agreement.

Further details of the above are set out in the announcements of the Company dated 20 March 2025, and 13 January 2025, respectively.

Contingent Liabilities

Save as disclosed in this announcement, the Group had no material contingent liabilities as at 31 August 2025.

Foreign Exchange Exposure

During the year ended 31 August 2025, the Group mainly operated in the PRC and the majority of the transactions were settled in Renminbi (“RMB”), the functional currency of the Group. The Group has certain exposure to foreign currency risk as part of its business transactions, assets and liabilities are denominated in United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, the Company has no other future plans for material investments and capital assets.

Employee and Remuneration Policy

As at 31 August 2024 and 2025, we had 5,180 and 5,800 employees, respectively.

The number of employees employed by the Group varies from time to time depending on business needs. 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 reviewed periodically. As required by the PRC laws and regulations, the Company participates in various employee social security insurance plans for its employees that are administered by local governments, including, among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance. According to the relevant laws and regulations in the PRC, the amount we are required to contribute for each of our employees under such plans should be calculated based on the employee’s actual salary level of the previous year, and be subject to a minimum and maximum level as from time to time prescribed by local authorities.

Compensation of key executives of the Group is reviewed by the Company’s remuneration committee based on the Group’s performance and the executives’ respective contributions to the Group.

The Company has also adopted a pre-IPO share option scheme and a share award scheme.

The total remuneration cost incurred by the Group for the Reporting Period was RMB459.6 million (for the year ended 31 August 2024: RMB356.2 million).

EVENTS AFTER THE REPORTING PERIOD

In September 2025, the Company has commenced operations of Tianping College in the new campus located in Nanjing, Jiangsu Province, the PRC for the 2025/2026 school year. The Company will apply for a change of school sponsor with the Ministry of Education, upon completion of which Tianping College will be transformed into a standalone private ordinary college and Tianping College will become a consolidated affiliated entity of the Company. For further details, please refer to the announcement of the Company dated 21 July 2025.

Mr. Hou Chunlai (the chairman of the Board, non-executive Director and founder of the Group) has agreed to make a strategically significant donation to support the Group’s advancement of AI and blockchain research and education across its schools. For further details, please refer to the announcement of the Company dated 8 October 2025.

Save as disclosed in these announcements, there were no other significant events that might affect the Group since the end of the Reporting Period and up to the date of this announcement.

FINAL DIVIDEND

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

The final dividend in respect of the year ended 31 August 2024 of RMB0.0924 (equivalent to approximately HK\$0.1) per ordinary share totaling approximately RMB110,880,000 was approved at the annual general meeting of the Company held on 10 January 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2026 annual general meeting of the Company (“**2026 AGM**”) will be held on Thursday, 5 February 2026.

For the purpose of determining the entitlement of a Shareholder’s entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 2 February 2026 to Thursday, 5 February 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 30 January 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Compliance with the Corporate Governance Code

The Company has adopted and complied with all the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the Reporting Period.

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the year ended 31 August 2025.

Scope of Work of the Company's Auditors

The figures contained in this announcement of the Group's audited consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes for the Reporting Period have been agreed by the Company's auditor, ZHONGHUI ANDA CPA Limited (the "**Auditor**"), to the figures set out in the audited consolidated financial statements of the Group for the Reporting Period. The work performed by the Auditor in this respect does not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on this announcement.

Audit Committee and Review of Annual Results

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. Lau, Tsz Man, Dr. Jin Xiaobin and Ms. Fok, Pui Ming Joanna. Mr. Lau, Tsz Man is the chairman of the audit committee and is appropriately qualified as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules.

The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 August 2025 and has discussed with the Auditor and the senior management members of the Company matters with respect to the accounting and internal control policies and practices adopted by the Company.

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

During the year ended 31 August 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale or transfer of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange. The Company did not hold any treasury shares (as defined under the Listing Rules) as at 31 August 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at <https://www.hkexnews.hk> and the website of the Company at <https://www.chunlaiedu.com>, respectively. The annual report of the Group for the Reporting Period will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Shareholders who requested printed copies in due course.

By Order of the Board of Directors
China Chunlai Education Group Co., Ltd.
Hou Junyu
Executive Director

Hong Kong, 28 November 2025

As at the date of this announcement, the Board comprises Mr. Hou Junyu and Ms. Jiang Shuqin as executive Directors, Ms. Zhang Jie as executive Director and chief executive officer, Mr. Hou Chunlai as non-executive Director and chairman, and Dr. Jin Xiaobin, Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man as independent non-executive Directors.

* *The English translations of the company names in Chinese are for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*