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## **China Kepei Education Group Limited**

**中國科培教育集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1890)**

### **1. ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2025; 2. RESIGNATION OF JOINT COMPANY SECRETARY; AND 3. CHANGE OF AUTHORISED REPRESENTATIVE**

#### **ANNUAL RESULTS HIGHLIGHTS**

|                            | <b>Year ended 31 August</b> |                |                | <b>Percentage</b> |
|----------------------------|-----------------------------|----------------|----------------|-------------------|
|                            | <b>2025</b>                 | <b>2024</b>    | <b>Change</b>  | <b>Change</b>     |
|                            | <b>RMB'000</b>              | <b>RMB'000</b> | <b>RMB'000</b> | <b>(%)</b>        |
| <b>Revenue</b>             | <b>1,872,180</b>            | 1,692,842      | +179,338       | +10.6             |
| <b>Profit for the year</b> | <b>748,445</b>              | 827,791        | -79,346        | -9.6              |
| <b>Core net profit**</b>   | <b>761,871</b>              | 830,014        | -68,143        | -8.2              |
| <b>Adjusted EBITDA*</b>    | <b>1,054,571</b>            | 1,129,710      | -75,139        | -6.7              |

\* Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group's operating performance.

\*\* Core net profit was derived from the profit for the year after adjusting for the items which are not indicative of the Group's operating performance. Please refer to the section of "Financial Review" in this announcement for details of the reconciliation of the profit for the year to the core net profit of the Group.

#### **FINAL DIVIDEND**

The Board recommended the payment of final dividend of HKD0.06 per Share. Together with the interim dividend of HKD0.07 per Share of the year 2025, the total dividend is HKD0.13 per Share for the year 2025, representing approximately 30% of the profit attributable to owners of the Company. The dividend will be paid to all Shareholders in cash.

The Board of China Kepei Education Group Limited is pleased to announce the consolidated annual results of the Group for the Reporting Period together with the comparative figures for the year ended 31 August 2024 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 August 2025

|   | Notes | 2025<br>RMB'000         | 2024<br>RMB'000  |
|---|-------|-------------------------|------------------|
| <b>REVENUE</b>  | 3     | <b>1,872,180</b>        | 1,692,842        |
| Cost of sales   |       | <u>(1,016,331)</u>      | <u>(744,277)</u> |
| Gross profit  |       | <b>855,849</b>          | 948,565          |
| Other income and gains  | 3     | <b>165,756</b>          | 173,115          |
| Selling and distribution expenses   |       | <b>(13,812)</b>         | (9,252)          |
| Administrative expenses   |       | <b>(171,247)</b>        | (152,262)        |
| Other expenses  |       | <b>(27,012)</b>         | (30,303)         |
| Finance costs   | 4     | <u><b>(30,765)</b></u>  | <u>(53,538)</u>  |
| <b>PROFIT BEFORE TAX</b>  | 8     | <b>778,769</b>          | 876,325          |
| Income tax expense  | 5     | <u><b>(30,324)</b></u>  | <u>(48,534)</u>  |
| <b>PROFIT FOR THE YEAR</b>  |       | <u><b>748,445</b></u>   | <u>827,791</u>   |
| Attributable to:  |       |                         |                  |
| Owners of the parent  |       | <b>748,091</b>          | 827,845          |
| Non-controlling interests   |       | <u><b>354</b></u>       | <u>(54)</u>      |
|   |       | <u><b>748,445</b></u>   | <u>827,791</u>   |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF THE PARENT</b> | 7     |                         |                  |
| Basic and diluted   |       |                         |                  |
| – For profit for the year   |       | <u><b>RMB0.3719</b></u> | <u>RMB0.4114</u> |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 August 2025

|  | 2025<br>RMB'000       | 2024<br>RMB'000       |
|--|-----------------------|-----------------------|
| <b>PROFIT FOR THE YEAR</b>   | <b><u>748,445</u></b> | <b><u>827,791</u></b> |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                       |                       |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:    |                       |                       |
| An equity investment designated at fair value through other comprehensive income:                    |                       |                       |
| Changes in fair value  | <u>34,903</u>         | <u>28,878</u>         |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | <u>34,903</u>         | <u>28,878</u>         |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>   | <b><u>34,903</u></b>  | <b><u>28,878</u></b>  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>   | <b><u>783,348</u></b> | <b><u>856,669</u></b> |
| Attributable to:   |                       |                       |
| Owners of the parent   | 782,994               | 856,723               |
| Non-controlling interests  | <u>354</u>            | <u>(54)</u>           |
|  | <b><u>783,348</u></b> | <b><u>856,669</u></b> |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2025

|  | Notes | 2025<br>RMB'000  | 2024<br>RMB'000  |
|--|-------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>  |       |                  |                  |
| Property, plant and equipment  |       | 4,500,456        | 3,548,309        |
| Right-of-use assets  |       | 922,732          | 724,888          |
| Goodwill   |       | 985,855          | 692,268          |
| Other intangible assets  |       | 531,443          | 366,622          |
| An equity investment designated at fair value through other comprehensive income |       | 71,196           | 36,293           |
| Prepayments, other receivables and other assets                                  |       | 34,240           | 736,899          |
| Contract costs   |       | 21,880           | 17,453           |
| Total non-current assets   |       | 7,067,802        | 6,122,732        |
| <b>CURRENT ASSETS</b>  |       |                  |                  |
| Trade receivables  | 9     | 31,187           | 42,073           |
| Prepayments, other receivables and other assets                                  |       | 154,649          | 204,028          |
| Financial assets at fair value through profit or loss                            |       | –                | 11,312           |
| Contract costs   |       | 18,164           | 10,383           |
| Pledged deposits   |       | 57,571           | 110,029          |
| Restricted bank deposit  |       | 38               | –                |
| Cash and cash equivalents  |       | 1,163,742        | 1,110,375        |
| Inventories  |       | –                | 2,597            |
| Total current assets   |       | 1,425,351        | 1,490,797        |
| <b>CURRENT LIABILITIES</b>   |       |                  |                  |
| Contract liabilities   | 3     | 630,708          | 771,727          |
| Other payables and accruals  | 10    | 823,323          | 586,948          |
| Dividend payable   |       | 128,529          | 128,621          |
| Interest-bearing bank and other borrowings                                       |       | 556,881          | 468,179          |
| Lease liabilities  |       | 4,690            | 97               |
| Tax payable  |       | 35,348           | 25,973           |
| Deferred income  |       | 6,257            | 1,326            |
| Total current liabilities  |       | 2,185,736        | 1,982,871        |
| <b>NET CURRENT LIABILITIES</b>   |       | <b>(760,385)</b> | <b>(492,074)</b> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                     |       | <b>6,307,417</b> | <b>5,630,658</b> |

|  | 2025<br><i>RMB'000</i>  | 2024<br><i>RMB'000</i>  |
|--|-------------------------|-------------------------|
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> | <b><u>6,307,417</u></b> | <b><u>5,630,658</u></b> |
| <b>NON-CURRENT LIABILITIES</b>               |                         |                         |
| Interest-bearing bank and other borrowings   | 594,577                 | 437,678                 |
| Lease liabilities                            | 4,711                   | 8,634                   |
| Deferred tax liabilities                     | 40,413                  | 51,644                  |
| Deferred income                              | <u>4,636</u>            | <u>9,937</u>            |
| Total non-current liabilities                | <u>644,337</u>          | <u>507,893</u>          |
| Net assets                                   | <u><b>5,663,080</b></u> | <u><b>5,122,765</b></u> |
| <b>EQUITY</b>                                |                         |                         |
| Equity attributable to owners of the parent  |                         |                         |
| Share capital                                | 137                     | 137                     |
| Reserves                                     | <u>5,660,643</u>        | <u>5,120,682</u>        |
|  | <b>5,660,780</b>        | <b>5,120,819</b>        |
| Non-controlling interests                    | <u>2,300</u>            | <u>1,946</u>            |
| Total equity                                 | <u><b>5,663,080</b></u> | <u><b>5,122,765</b></u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

China Kepei Education Group Limited was incorporated in the Cayman Islands on 24 August 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 25 January 2019.

The principal activity of the Company is investment holding. During the year, the Group were principally engaged in providing private higher education services in the People's Republic of China (the "PRC").

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has prepared the consolidated financial statements on the basis of going concern. The Group recorded net current liabilities of RMB760,385,000 as at 31 August 2025. Included therein were contract liabilities of RMB630,708,000 as at 31 August 2025, which will be settled by education services to be provided by the Group. In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance when assessing whether the Group will have sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due in the foreseeable future.

The Directors have prepared a cash flow forecast for the Group which covers a period of twelve months from the end of the reporting period. Taking into account the positive cash flows from operation, adequate unused loan facilities from reputable financial institutions up to the date of approval of these financial statements and the ability of management in adjusting the pace of its operation expansion, the Directors consider that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Therefore, there are no material uncertainties that may cast significant doubt over the going concern assumption and the Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to operate for the foreseeable future.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

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

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

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

The Group has reassessed the terms and conditions of its liabilities as at 1 September 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

### 3. REVENUE, OTHER INCOME AND GAINS

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

|  | <i>Notes</i> | <b>2025</b><br><b><i>RMB'000</i></b> | 2024<br><i>RMB'000</i> |
|--|--------------|--------------------------------------|------------------------|
| <u>Revenue</u>                               |              |                                      |                        |
| <i>Revenue from contracts with customers</i> |              |                                      |                        |
| Tuition fees                                 | (a)          | <b>1,757,007</b>                     | 1,587,495              |
| Boarding fees                                | (a)          | <b>107,002</b>                       | 97,314                 |
| Other education service fees                 | (b)          | <b>8,171</b>                         | 8,033                  |
| Total  |              | <b><u>1,872,180</u></b>              | <u>1,692,842</u>       |
| <u>Other income and gains</u>                |              |                                      |                        |
| Management service income                    | (c)          | <b>92,831</b>                        | 98,347                 |
| Rental income                                |              | <b>26,627</b>                        | 27,047                 |
| Bank interest income                         |              | <b>14,801</b>                        | 17,798                 |
| Government grants                            |              |                                      |                        |
| Related to assets                            |              | <b>1,731</b>                         | 3,588                  |
| Related to income                            |              | <b>8,210</b>                         | 3,392                  |
| Consulting service income                    |              | <b>2,341</b>                         | 7,512                  |
| Others                                       |              | <b>19,215</b>                        | 15,431                 |
| Total  |              | <b><u>165,756</u></b>                | <u>173,115</u>         |



*Notes:*

- (a) Tuition fees and boarding fees mainly represented the income received from the provision of education and boarding services to students, which was recognised over time, i.e. the academic year, of the services rendered.
- (b) Other education service fees mainly represented the income received from the provision of other education services including training services to students, which was recognised over time, i.e. the training periods, of the services rendered.
- (c) Pursuant to the share management agreement dated 15 July 2021 in relation to the acquisition of Anhui School, the entire management of Anhui School was entrusted to a subsidiary of the Company with effect from the effective date of the entrustment until the completion of acquisition of Anhui School. In consideration for the management services provided by a subsidiary of the Company, the Group shall be entitled to management service income in accordance with the terms of the share management agreement from the effective date of the entrustment until the completion of acquisition of Anhui School.

Contract liabilities

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to refunds of payments in relation to the proportionate services not yet provided.

Significant changes in the contract liability balances during the year are as follows:

|   | <b>2025</b><br><b>RMB'000</b> | 2024<br>RMB'000 |
|---|-------------------------------|-----------------|
| At the beginning of the year  | <b>771,727</b>                | 654,946         |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the year      | <b>(767,368)</b>              | (652,232)       |
| Other income recognised that was included in the balance of contract liabilities at the beginning of the year | <b>(2,668)</b>                | (1,590)         |
| Increases due to cash received, excluding amounts recognised as revenue during the year                       | <b>630,708</b>                | 771,268         |
| Transfer to refund liabilities during the year  | <b>(1,691)</b>                | (665)           |
| At the end of the year  | <b><u>630,708</u></b>         | <u>771,727</u>  |

### *Revenue recognised in relation to contract liabilities*

The following table shows the amounts of revenue recognised in the current year that were included in the contract liabilities at the beginning of the reporting period:

|  | <b>2025</b><br><b>RMB'000</b> | <b>2024</b><br><b>RMB'000</b> |
|--|-------------------------------|-------------------------------|
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the year |                               |                               |
| Tuition fees   | <b>709,446</b>                | 597,728                       |
| Boarding fees  | <b>57,922</b>                 | 54,504                        |
| Total  | <b>767,368</b>                | 652,232                       |

### Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 August 2025 are as follows:

|  | <b>2025</b><br><b>RMB'000</b> | <b>2024</b><br><b>RMB'000</b> |
|--|-------------------------------|-------------------------------|
| Expected to be recognised within one year:       |                               |                               |
| As revenue – Tuition fees                        | <b>576,639</b>                | 710,953                       |
| As revenue – Boarding fees                       | <b>52,155</b>                 | 58,106                        |
| As other income – Driving school training income | <b>1,914</b>                  | 2,668                         |
| Total  | <b>630,708</b>                | 771,727                       |

The amounts of transaction prices associated with unsatisfied or partially unsatisfied performance obligations do not include variable consideration which is constrained.

There were no contract assets at the end of the reporting period recognised in the consolidated statement of financial position as at 31 August 2025 and 2024.

#### 4. FINANCE COSTS

An analysis of finance costs is as follows:

|  | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| Interest on lease liabilities  | 451                    | 425                    |
| Interest on bank and other borrowings  | <u>34,320</u>          | <u>53,444</u>          |
| Total interest expense on financial liabilities not at fair value through profit or loss | 34,771                 | 53,869                 |
| Less: Interest capitalised   | <u>(4,006)</u>         | <u>(331)</u>           |
| Total  | <u><u>30,765</u></u>   | <u><u>53,538</u></u>   |

#### 5. INCOME TAX

|                               | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|-------------------------------|------------------------|------------------------|
| Current – Chinese Mainland    |                        |                        |
| Charge for the year           | 41,555                 | 41,203                 |
| Deferred                      | <u>(11,231)</u>        | <u>7,331</u>           |
| Total tax charge for the year | <u><u>30,324</u></u>   | <u><u>48,534</u></u>   |

#### 6. DIVIDENDS

|   | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Interim – HK\$0.07 (2024: HK\$0.07) per ordinary share        | 131,417                | 127,986                |
| Proposed final – HK\$0.06 (2024: HK\$0.06) per ordinary share | <u><u>109,966</u></u>  | <u><u>111,616</u></u>  |

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 2,011,648,667 (2024: 2,012,031,181) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 August 2025 and 2024.

The calculations of basic and diluted earnings per share are based on:

|   | 2025<br><i>RMB'000</i>      | 2024<br><i>RMB'000</i>      |
|---|-----------------------------|-----------------------------|
| Earnings  |                             |                             |
| Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations         | <u><b>748,091</b></u>       | <u><b>827,845</b></u>       |
|   | <b>Number of shares</b>     |                             |
|   | 2025                        | 2024                        |
| Shares  |                             |                             |
| Number of ordinary shares in issue at the beginning of the year   | <b>2,014,248,667</b>        | 2,015,248,667               |
| Weighted average number of ordinary shares held for the Restricted Share Award Scheme   | <b>(2,600,000)</b>          | (2,600,000)                 |
| Weighted average number of repurchased shares   | <u>–</u>                    | <u>(617,486)</u>            |
| Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation | <u><b>2,011,648,667</b></u> | <u><b>2,012,031,181</b></u> |

## 8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

|   | <i>Notes</i> | <b>2025</b><br><b>RMB'000</b> | 2024<br><i>RMB'000</i> |
|---|--------------|-------------------------------|------------------------|
| Employee benefit expense (excluding directors' and chief executive's remuneration):                   |              |                               |                        |
| Wages and salaries  |              | <b>508,540</b>                | 426,033                |
| Pension scheme contributions****  |              | <b>37,787</b>                 | 29,405                 |
| <b>Total</b>  |              | <b>546,327</b>                | 455,438                |
| Depreciation of property, plant and equipment   |              | <b>213,647</b>                | 170,261                |
| Depreciation of right-of-use assets   |              | <b>21,570</b>                 | 19,521                 |
| Amortisation of other intangible assets   |              | <b>5,842</b>                  | 7,858                  |
| Impairment of trade receivables*  | 9            | <b>13,076</b>                 | 9,433                  |
| Exchange loss, net**  |              | <b>3,978</b>                  | 2,207                  |
| Fair value (gain)/loss, net:  |              |                               |                        |
| Financial assets at fair value through profit or loss***  |              | <b>(2,389)</b>                | 945                    |
| Auditor's remuneration  |              | <b>3,800</b>                  | 3,800                  |
| Loss on disposal of items of property, plant and equipment  |              | <b>559</b>                    | 6,351                  |
| Dividend income from an equity investment designated at fair value through other comprehensive income |              | <b>(1,651)</b>                | (465)                  |

\* The provision for expected credit losses on trade receivables is included in administrative expenses in the consolidated statement of profit or loss.

\*\* The exchange loss is included in other expenses in the consolidated statement of profit or loss.

\*\*\* The fair value gain is included in other income and gains and fair value loss is included in other expenses in the consolidated statement of profit or loss.

\*\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 9. TRADE RECEIVABLES

|  | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| Tuition fees and boarding fees receivables | 39,490                 | 53,834                 |
| Impairment                                 | <u>(8,303)</u>         | <u>(11,761)</u>        |
| Net carrying amount                        | <u><u>31,187</u></u>   | <u><u>42,073</u></u>   |

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

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

|               | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|---------------|------------------------|------------------------|
| Within 1 year | 16,868                 | 21,861                 |
| 1 to 2 years  | 4,234                  | 7,992                  |
| 2 to 3 years  | 5,290                  | 6,841                  |
| Over 3 years  | <u>4,795</u>           | <u>5,379</u>           |
| Total         | <u><u>31,187</u></u>   | <u><u>42,073</u></u>   |

The movements in the loss allowance for impairment of trade receivables are as follows:

|                                     | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| At beginning of year                | 11,761                 | 10,903                 |
| Impairment losses ( <i>note 8</i> ) | 13,076                 | 9,433                  |
| Amount written off as uncollectible | <u>(16,534)</u>        | <u>(8,575)</u>         |
| At end of year                      | <u><u>8,303</u></u>    | <u><u>11,761</u></u>   |

## 10. OTHER PAYABLES AND ACCRUALS

|  | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| Payables for salaries, bonus and welfare funds         | <b>41,748</b>          | 30,421                 |
| Payables for social insurance and housing fund         | <b>54,464</b>          | 44,694                 |
| Payables for scholarships and needy student fund       | <b>110,250</b>         | 72,130                 |
| Accrual for cooperative education fees                 | <b>165,448</b>         | 10,511                 |
| Payables for purchase of property, plant and equipment | <b>185,152</b>         | 170,583                |
| Miscellaneous expenses received from students*         | <b>37,435</b>          | 43,419                 |
| Other tax payable                                      | <b>35,083</b>          | 35,390                 |
| Consideration payable for acquisition of a subsidiary  | <b>100,000</b>         | 100,000                |
| Payables for commission fees                           | <b>22,591</b>          | 20,458                 |
| Others   | <b>71,152</b>          | 59,342                 |
|  | <hr/>                  | <hr/>                  |
| Total  | <b><u>823,323</u></b>  | <b><u>586,948</u></b>  |

\* The amount represents the miscellaneous expenses received from students which will be paid out on behalf of students.

Other payables and accruals are non-interest-bearing and expected to be settled within one year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Overview

The Group is the leading vocational education group in the Pearl River Delta and Yangtze River Delta, the two most important economic regions in China. Our education businesses services cover the entire modern vocational education system, including the secondary-level vocational program, higher-level vocational program, and undergraduate-level vocational program. Since the establishment of our first school in 2000, the Group has been adhering to the mission of cultivating high-quality technological talents, and steadfastly pursuing the path of high-quality development. During the Reporting Period, we have achieved the following fruitful educational results:

#### ***Our Teacher Qualification Training Achieved Remarkable Results with Improving Ranks among Schools***

During the Reporting Period, the Group increased its investment in teacher training, allocating approximately RMB50 million for training expenses to enhance the professional capabilities of its teaching staff, with around 10,000 teachers trained. Our schools received approximately 170 national awards and 410 provincial awards. Adhering to the scientific research goal of “Promoting Teaching through Research and Promoting Learning through Teaching”, our schools actively carried out scientific research. The Group’s schools undertook over 100 provincial-level scientific research projects, and our teachers published 760 academic papers, including about 50 core journal papers. The teachers’ honors and number of scientific research awards increased continuously. Under the guidance of the high-quality development strategy, our schools continued to improve their ranks. The Guangdong School ranked 35th in the Top 300 Private Universities Rankings (2025) according to the GDI University Rankings; it also ranked third in the Guangdong Province. The Guangdong School was awarded the honorary title of “Top 100 Chinese Industry-Education Integration Colleges”. The Heilongjiang School ranked 28th among the list of private universities in China by Chinese Alumni Association in 2024, jumped from 38th for the last year; it also ranked second among private colleges in Heilongjiang. Ranked first among private universities in the field of geology, mining and petroleum in China, it was selected as one of the first batch of master’s degree project construction units in Heilongjiang Province, and was rated as a benchmark private university in China by the Central Radio and Television Network. It is the only private engineering college in the province to be selected as a “demonstration unit for employment and entrepreneurship of college graduates in the province”. The Anhui School ranked 36th among the major rankings of private universities in China by ABC in 2024; it also ranked third among private colleges in Anhui Province. The Huaibei School has received excellent annual inspection results from the Provincial Department of Education for three consecutive years.



## ***Attaching Importance to the All-round Development of Students and Enhancing their Employment Competitiveness***

We visit enterprises through various channels, connect with their employment needs, and provide students with high-quality and sufficient employment and internship opportunities. We have established deep cooperative relationships with leading enterprises such as Huawei, JD, BYD, CATL, Xiaopeng Motors, Midea Group, iFlytek, UFIDA, Ubiquitous and EVE Energy, jointly built industry colleges such as Huawei ICT Industry College, JD Industry College, iFlytek Artificial Intelligence College, BYD New Energy Industry College and Ubiquitous Intelligent Robotics College. We have established cooperative relationships with nearly 4,000 enterprises across the country, providing over 150,000 job demands for graduates, with an average of about 10 job opportunities for each graduate. Under the severe employment situation in 2024, we still achieved excellent employment results. The employment rate of graduates exceeds 90%, and the employment rate of key majors has remained above 95% for several consecutive years, with a professional matching rate of 70%. The Heilongjiang School has deep cooperation with the top five petrochemical enterprises in China, with one out of every five graduates in corresponding majors entering state-owned enterprises and Fortune 500 companies. Especially, our models such as “enterprise operated by school”, “school established by enterprise” and “order class” have covered nearly 40 majors and nearly 5,000 students, truly realizing the growth and development path of “employment upon enrollment”. The total number of graduates who start their own businesses, take postgraduate entrance exams, study abroad and join the national civil service team is steadily increasing.

We attach great importance to the all-round development of students, encourage and support students to participate in various competitions during school semesters, and have won approximately 1,600 national awards and approximately 4,600 provincial honors. These include: the Prize of “Challenge Cup” College Students Entrepreneurship Plan Competition, China International College Students Innovation Competition, “Siemens Cup” Smart Manufacturing Challenge National Finals, Blue Bridge Cup National Software and Information Technology Professional Talent Competition, “China Robotics Development Competition” Award, “National University Business Elite Challenge”, National College Students Smart Car Competition, China International “Internet+” College Students Innovation and Entrepreneurship Competition, Chinese College Students Calculator Design Contest and other awards. The Heilongjiang School won a silver medal in the National Professional Ice Sculpture Art Exhibition.

## ***Building a Smart Campus and Continuously Enhancing Satisfaction of Teachers and Students***

We take “spatial integration + digital empowerment” as the dual wheel drive and establish a one-stop student community service center in our schools to systematically improve the performance of educational services. Through the integration of seven major departments including academic affairs, logistics, employment and finance departments into the one-stop service center, we provide 25 high-frequency services such as student registration certificate processing, equipment maintenance and career counseling. We have also launched a smart appointment and self-service terminal system, reducing the time and cost of single transaction processing for teachers and students by 70%. The one-stop student community service center has been established for one year and has resolved nearly 20,000 appointment processing matters for students. The Group synchronously builds five digital systems including intelligent

repair reporting, venue reservation, psychological counseling, internship employment and dormitory management. We take the feedback and solution time of the logistics service team to the needs raised by teachers and students in various systems as the basis KPI, and conduct assessment to the logistics service team, so as to significantly reduce the response time for logistics issues from 24 hours to 4 hours, greatly improving logistics support capabilities and processing efficiency. The satisfaction rate of teachers and students reached a historical high of 96%.

### ***Actively Promoted the Core Strategy of “AI + Vocational Education”***

Against the backdrop of rapid development of artificial intelligence (AI), the Group takes “AI + Vocational Education” as its core strategy, and comprehensively promotes the deep integration of AI technology and teaching. The Group has established a working team to promote the AI applications and deeply cultivate “Vertical AI Applications”, and through the cross-department collaboration, to systematically promote the intelligent transformation in the teaching, research, and management fields, and to integrate AI technology into all elements and processes of education and teaching. Through its independent research and development, the Group has achieved model integration and deployment of intelligent course platforms, enterprise WeChat, student and staff systems, and enrollment Q&A robots on campus. In 2026, we have been focusing on building AI tool modules that are in line with the characteristics of our schools, and constructing AI smart libraries, digital mentor systems and other projects. We will also establish a full lifecycle management mechanism for teaching data and build a new intelligent education ecosystem of “Educational Brain + Intelligent Terminal”.

### ***Expanding the International Perspective of Teachers and Students, and Continuously Deepen International Cooperation***

The Group organized multiple batches of backbone teachers and principals to conduct academic exchanges and training at well-known universities in Hong Kong, Singapore, Japan, South Korea, Russia, etc., in order to broaden international perspective, enrich teaching concepts, and enhance academic standards. The Group organized 30 batches of study tours with roughly 1,100 teachers and students participated in exchanges with top universities in Hong Kong, Macau and China, including the University of Hong Kong, the University of Macau, Peking University, Tsinghua University, etc., to combine classroom knowledge with practice and broaden the perspective of teachers and students. The management of the Group conducted research on the demand for overseas employment markets in various countries such as Saudi Arabia, the United Arab Emirates, Qatar, Thailand and Vietnam. The Group is committed to building an innovative talent cooperation model of “targeted training + employment delivery” with large state-owned and private enterprises overseas, promoting China’s vocational education to the world stage and meeting the talent needs of Chinese enterprises expanding their business overseas.

### ***Zhaoqing School has been Approved as Pilot School of the First Comprehensive High Schools in Zhaoqing City***

The Zhaoqing School becomes a pilot school of the first comprehensive high schools in Zhaoqing City in 2025, and will carry out its first enrollment in the 2025/26 school year. Comprehensive high school is an innovative new education model in the high school stage, advocating the integration and development of cultural courses and vocational skills learning in ordinary high schools. This remarks that the Group has gained widespread social recognition in the field of vocational education and ordinary education integration (Cultural Foundation + Vocational Skills), and the Group will continue to improve its comprehensive strength, and its future enrollment source will continue to expand.

### ***Caring for the Society and Bringing the Core Values of Socialism into Practice***

Our schools have been actively carrying out social welfare activities, including volunteers for the Asian Winter Games, popularization lectures of laws in community, strengthened collaboration and paired assistance, caring elderly and veterans, and promotion of intangible cultural heritage, to serve local communities and demonstrate our sense of social responsibility. The number of student volunteers from our schools reached 3,000, donating about 120,000 milliliters of blood without compensation, and donating about 4 tons of clothing through the Love Clothing Recycling Volunteer Service Activity. We care for mental and physical well-being of students by holding thematic campaigns such as World AIDS Day, College Student Mental Health Education Month, National Security Education Day, Anti-Drug and Legal Awareness Promotion Month and AED first-aid training session. The Heilongjiang School was one of the first batch of schools with the honorary title of “High Schools Complying with the Mental Health Education Standards” in Heilongjiang Province. The Heilongjiang School established the “Iron Man Spirit and Culture Research Center” to promote and propagate the Iron Man spirit. The Guangdong School actively responded to the country’s call for conscription, and won the title of the Advanced Unit in the Conscription Work of Guangdong Province for four consecutive years. The Group further promoted the implementation of the “Western Plan”, encouraging and organizing college students to carry out voluntary services such as supporting education and agriculture in the Western region and the border villages. Over 150 students have participated in the Western Plan and Village Plan as volunteers. The schools of the Group provide material assistance and educational resource assistance to students from families with financial difficulties to ensure that they can successfully complete their studies. Over 40,000 students have received such assistance.

## ***The Government Continues to Promote the Classification Management and Registration of Private College***

On 5 November 2025, the Guangdong Provincial Department of Education issued the “Implementation Rules for Classification Registration of Existing Private College in Guangdong Province (Draft for Comments)” (the “**Draft for Comments**”), which, if approved, will have significant implications for promoting the classification registration of for-profit and not-for-profit private schools in Guangdong Province. The Draft for Comments specifies the timetable for completing the classification registration, which means that after the implementation of the detailed rules, private schools are required to submit application materials within one year and complete the classification registration within three years. The Draft for Comments also provides detailed application materials and relevant approval procedures for selecting to be a for-profit private school, with clear practical guidance. We believe that there has been substantial progress in the classification registration procedures of private schools in Guangdong Province, and in the future, we will continue to promote the classification registration of schools in accordance with policy guidelines.

### ***Market Position***

With over 20 years’ experience in operating vocational education institutions in China, the Group is a leading provider of private vocational education services in China.

The Group is committed to providing students with high-quality profession-oriented and vocational education and helping them to meet the growing and changing market demands. The Group is primarily focused on engineering majors to better capture local employment demands balanced with economics, management, education and art majors to offer well-rounded education services. It endeavors to provide students with various profession-oriented training and internship opportunities in collaboration with research institutions and enterprises, which fosters practical skills and market competitiveness of the students.

### ***Revenue***

The revenue increased by 10.6% from RMB1,692.8 million for the year ended 31 August 2024 to RMB1,872.2 million for the year ended 31 August 2025. The Group typically charges students fees which is comprised of tuition fees, boarding fees and other education service fees. Tuition fees remained as the major revenue, accounted for approximately 93.8% of the total revenue of the Group for the year ended 31 August 2025.

The table below summarises the amount of revenue generated from tuition fees, boarding fees and other education service fees charged by the schools operated by the Group for the years indicated:

|                                | 2025<br><i>RMB'000</i>  | 2024<br><i>RMB'000</i>  |
|--------------------------------|-------------------------|-------------------------|
| Tuition fees                   |                         |                         |
| Higher education program*      | 1,678,941               | 1,500,840               |
| Secondary vocational education | <u>78,066</u>           | <u>86,655</u>           |
| Total tuition fees             | <u>1,757,007</u>        | <u>1,587,495</u>        |
| Boarding fees                  | 107,002                 | 97,314                  |
| Other education service fees   | <u>8,171</u>            | <u>8,033</u>            |
| <b>Total</b>                   | <b><u>1,872,180</u></b> | <b><u>1,692,842</u></b> |

\* Higher education program includes undergraduate program, junior college program and adult college program.

The increase in revenue were mainly attributed to steady growth in the number of student enrolments and average tuition fees of the schools operated by the Group.

### ***Student enrollment***

In the 2024/25 school year, the Group had approximately 77,000 full-time students, including approximately 69,000 undergraduate students (up by 5.4% year-on-year). Benefiting from the favorable policies of vocational education and strong demand from students, the total new enrolment of undergraduate program in 2025/26 school year reached 21,000, up by 5.0% year-on-year. The structure of students has further been optimized, with the proportion of undergraduate students among the total number of full-time students reached nearly 89.6%. The enrolment rate continue to increase, the brand competitiveness has been further enhanced, and the high-quality development strategy is steadily advancing.

### ***Risk Management***

The Group is exposed to various risks in the operations of its business and the Group believes that risk management is important to its success. Key operational risks faced by the Group include, among others, changes in general market conditions and perceptions of private higher education, changes in the regulatory environment in the PRC education industry, the ability of the Group to offer quality education to students, the ability of the Group to increase student enrollment and/or raise tuition rates, the potential expansion of the Group into other regions in China, availability of financing to fund the Group's expansion and business operations and competition from other school operators that offer similar quality of education and are of similar scale.

In addition, the Group also faces numerous market risks, such as interest rate and liquidity risks that arise in the normal course of the Group's business.

#### *Interest Rate Risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to its bank loans with floating interest rates.

It is the Group's policy to keep certain bank and other borrowings at fixed rates of interest so as to minimise the interest rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the Board will consider hedging significant interest rate risk should the need arise.

#### *Liquidity Risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flow from operation, bank and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

To properly manage these risks, the Group has established the following risk management structures and measures:

- the Board is responsible and has the general power to manage the Group's operations of the schools, and is in charge of managing the overall risks of the Group. It is responsible for considering, reviewing and approving any significant business decisions involving material risk exposures, such as the Group's decisions to expand its school network into new geographic areas, to raise the tuition fees of the schools, and to enter into cooperative business relationships with independent third parties to establish new schools;
- the Group maintains insurance coverage, which it believes is in line with customary practice in the PRC education industry, including school liability insurance; and
- the Group has made arrangements with its lenders to ensure that it will be able to obtain credit to support its business operation and expansion.

#### *Environment, Health and Safety*

The Group is dedicated to protecting the health and safety of the students. The Group has on-site medical staff or healthcare personnel at each of the schools to handle routine medical situations involving students. In certain serious and emergency medical situations, the Group promptly sends the students to local hospitals for treatment. With respect to school safety, the Group engaged a qualified property management company to provide property security services at the Group's school premises.



As far as the Board and the management of the Company are aware, the Group has complied in all material respects with the relevant environmental, health and safety laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

### ***Future Plans***

1. With the upgrade of the State's industries, the demand for vocational education talents in advanced manufacturing and modern service industries is becoming increasingly strong. We will steadfastly implement high-quality development strategies to cultivate high-level applied and professional talents for the country and serve local economic development. The Group has abundant school-enterprise cooperation resources in the Pearl River Delta and Yangtze River Delta regions, and will actively promote school-enterprise cooperation with leading entities in various industries, focusing on national key industries and emerging industries, such as new energy vehicles, digital economy, information technology, artificial intelligence and other industries, and continuously deepening the integration of industry and education and building industry colleges together, to realize close connection between professional settings and industry needs and improve high-quality employment for students.
2. We will actively strategize for the deployment of our international education services, including operating higher education institutions and vocational training programs overseas in a light asset model, which will cover undergraduate, master and doctoral degree education as well as skills training in the future. In addition, the Heilongjiang School has successfully obtained provincial approval to establish itself as a master-degree-granting institution. Going forward, we will continue to increase the proportion of highly educated faculty, improve teaching facilities and campus environment, strive to elevate the school's educational level, and provide our students with diversified pathways for further education.

### **Financial Review**

#### ***Revenue***

Revenue represents the value of services rendered during the Reporting Period. The Group mainly derives revenue from tuition fees and boarding fees collected by schools from students.

Revenue increased by RMB179.4 million, or 10.6%, from RMB1,692.8 million for the year ended 31 August 2024 to RMB1,872.2 million for the year ended 31 August 2025. This increase was primarily the result of revenue from tuition fees increased by RMB169.5 million, or 10.7%, from RMB1,587.5 million for the year ended 31 August 2024 to RMB1,757.0 million for the year ended 31 August 2025.

The increase of tuition fees were mainly attributed to steady growth in the number of student enrolments and average tuition fees of the schools operated by the Group.

### ***Cost of Sales***

Cost of sales consists primarily of staff costs, depreciation and amortisation, utilities, teaching supplies, cost of cooperative education, student study and practice fees, office expenses, training expenses, student subsidies, travel and transportation expenses, cost of repairs, property management fees and others.

Cost of sales increased by RMB272.0 million or 36.6% from RMB744.3 million for the year ended 31 August 2024 to RMB1,016.3 million for the year ended 31 August 2025. This increase was primarily the result of: (i) the Group's great input to develop a high quality teaching crew in cultivating high-end talents as well as improvement of benefits for faculties; (ii) the continuously investment in various professional teaching training venues and equipment in order to improve teaching quality and students' learning experiences; and (iii) the increase in practice fees and training expense in relation to improve student employment rate.

### ***Gross Profit***

The gross profit decreased by 9.8% from RMB948.6 million for the year ended 31 August 2024 to RMB855.8 million for the year ended 31 August 2025. The gross profit margin for the year ended 31 August 2025 was 45.7%, representing a decrease of 10.3 percentage points as compared to the gross profit margin of 56.0% of last year. The decrease of gross profit margin was mainly due to the Group's continuously investment in teaching expenses and students expenses to achieve high teaching qualities and student employment rate.

### ***Other Income and Gains***

Other income and gains primarily consist of government grants, interest income from bank deposits, rental income from lease of campus properties and venues to independent third parties, management service income and consulting service income.

Other income and gains decreased by RMB7.4 million, or 4.3%, from RMB173.1 million for the year ended 31 August 2024 to RMB165.7 million for the year ended 31 August 2025. This decrease was primarily due to the decrease of RMB5.5 million in the management service income compared to last year.

### ***Selling and Distribution Expenses***

Selling and distribution expenses primarily consist of advertising expenses, student admission expenses and business entertainment expenses.

The selling and distribution expenses increased by 49.3% from RMB9.3 million for the year ended 31 August 2024 to RMB13.8 million for the year ended 31 August 2025, which was mainly because of the continuing investment of the Group's brand building and students' enrollment promotion.



### ***Administrative Expenses***

Administrative expenses primarily consist of administrative staff salaries, office-related expenses, depreciation and amortisation of office buildings, equipment and right of use assets, audit fee, travel expenses and others.

The administrative expenses increased by 12.5% from RMB152.3 million for the year ended 31 August 2024 to RMB171.2 million for the year ended 31 August 2025. This increase was primarily due to the increase numbers of management professionals to achieve the Group's high-quality development.

### ***Other Expenses***

Other expenses primarily consist of expenses relating to staff costs, loss on disposal of items of property, plant and equipment, exchange loss, donation cost and other costs.

Other expenses decreased by 10.9% from RMB30.3 million for the year ended 31 August 2024 to RMB27.0 million for the year ended 31 August 2025. This decrease was primarily due to the decrease of the loss on the disposal of items of property, plant and equipment compared to last year.

### ***Finance Costs***

Finance costs primarily consist of interest expenses for the interest-bearing bank loans and lease liabilities.

The finance costs decreased by 42.5% from RMB53.5 million for the year ended 31 August 2024 to RMB30.8 million for the year ended 31 August 2025, which was mainly due to the decrease of the weighted average balance of interest-bearing bank loans and bank interest rates.

### ***Core Net Profit***

Core net profit was derived from the profit for the year after adjusting the expenses related to the additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets and foreign exchange loss, which are not indicatives of the Group's operational performance. This is not a HKFRS measure. The Group presents this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors. The following table reconciles from profit for the year to core net profit for both financial years:

|  | <b>2025</b><br><b>RMB'000</b> | 2024<br><b>RMB'000</b> |
|--|-------------------------------|------------------------|
| Profit for the year  | <b>748,445</b>                | 827,791                |
| Add:   |                               |                        |
| Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets | <b>6,734</b>                  | (2,528)                |
| Exchange loss  | <b>3,978</b>                  | 2,207                  |
| Donation expenses  | <u><b>2,714</b></u>           | <u>2,544</u>           |
| Core net profit  | <u><b>761,871</b></u>         | <u>830,014</u>         |

The core net profit decreased by 8.2% from RMB830.0 million for the year ended 31 August 2024 to RMB761.9 million for the year ended 31 August 2025.

### ***Calculation of adjusted EBITDA***

Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group's operating performance. The exchange loss is the non-HKFRSs measure adjusting item as the Company consider that this item was not reflective of the Group's core operating results and should be reconciled in the adjusted EBITDA. The following table reconciles from profit for the year to adjusted EBITDA for both financial years:

|   | <b>2025</b><br><b>RMB'000</b> | 2024<br><b>RMB'000</b> |
|---|-------------------------------|------------------------|
| Profit for the year   | <b>748,445</b>                | 827,791                |
| Add:  |                               |                        |
| Depreciation and amortisation of property, plant and equipment, right-of-use assets and other intangible assets | <b>241,059</b>                | 197,640                |
| Income tax expense  | <b>30,324</b>                 | 48,534                 |
| Finance costs   | <b>30,765</b>                 | 53,538                 |
| Exchange loss   | <u><b>3,978</b></u>           | <u>2,207</u>           |
| Adjusted EBITDA   | <u><b>1,054,571</b></u>       | <u>1,129,710</u>       |

Adjusted EBITDA decreased by RMB75.1 million, or 6.7%, from RMB1,129.7 million for the year ended 31 August 2024 to RMB1,054.6 million for the year ended 31 August 2025.

### ***Capital Expenditure***

Capital expenditures during the Reporting Period primarily related to the establishment of new school premises, maintaining and upgrading existing school premises and purchasing additional educational facilities and equipment for the schools operated by the Group. For the year ended 31 August 2025, the Group's capital expenditures were RMB443.0 million (for the year ended 31 August 2024: RMB366.1 million).

### ***Gearing Ratio***

The gearing ratio of the Group, which was calculated as total interest-bearing bank and other borrowings divided by total equity as at the end of the relevant financial year, increased from approximately 17.7% as at 31 August 2024 to approximately 20.3% as at 31 August 2025, primarily due to the increase in the Group's total interest-bearing bank and other borrowings as at 31 August 2025.

### ***Foreign Exchange Risk Management***

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 August 2025, certain bank balances were denominated in HKD and USD. During the year ended 31 August 2025, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. As a result, the Group did not enter into any financial instrument for hedging purposes.

### ***Contingent Liabilities***

As at 31 August 2025, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance pending or threatened (as at 31 August 2024: nil).

### ***Pledge of Asset***

As at 31 August 2025, the Group's time deposits amounting to RMB57.6 million (as at 31 August 2024: RMB110.0 million) were pledged to secure certain of the Group's bank loans or to secure performance guarantees issued to suppliers and contractors.

### ***Human Resources***

As at 31 August 2025, the Group had 5,774 employees (as at 31 August 2024: 4,555 employees).

The remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and result performance of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, occupational injury insurance, maternity insurance and unemployment insurance. The Company has also adopted the Share Option Scheme and the Restricted Share Award Scheme to provide incentives to its employees. As at the date of this announcement, the Share Option Scheme and the Restricted Share Award Scheme have been terminated.

The total remuneration cost incurred by the Group for the year ended 31 August 2025 was RMB601.8 million (for the year ended 31 August 2024: RMB493.9 million).

## **EVENTS AFTER THE REPORTING PERIOD**

The Group had no significant event after the Reporting Period required to be disclosed.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HK\$0.06 (for the year ended 31 August 2024: HK\$0.06) per share for the year ended 31 August 2025. The final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 30 January 2026 (the "AGM") and the proposed final dividend will be payable on or around 21 August 2026 to the Shareholders whose names appear on the register of members of the Company on 7 August 2026.

|   | <b>Year ended<br/>31 August 2025</b> |
|---|--------------------------------------|
| Interim dividend per ordinary share (HK\$)        | 0.07                                 |
| Proposed final dividend per ordinary share (HK\$) | 0.06                                 |

## **CLOSURE OF THE REGISTER OF MEMBERS**

### **(a) For determining the entitlement to attend and vote at the AGM**

The forthcoming AGM of the Company will be held on Friday, 30 January 2026. The register of members of the Company will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the 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, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 26 January 2026.

**(b) For determining the entitlement of the proposed dividend**

The register of members of the Company will also be closed from Tuesday, 4 August 2026 to Friday, 7 August 2026, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend, during which period no share transfers will be registered. To qualify for the final dividend, 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, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 3 August 2026.

**CORPORATE GOVERNANCE**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the year ended 31 August 2025.

**MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 August 2025.

The Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 August 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 31 August 2025, the Company and its subsidiaries did not hold any treasury shares.

**AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Dr. Xu Ming, Dr. Deng Feiqi and Mr. Lu Chao. Dr. Xu Ming is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to auditing, internal control and financial reporting. The Audit Committee, together with the Board has reviewed the Group's consolidated financial statements for the year ended 31 August 2025.

The financial information of the Group disclosed in this announcement is based on the Group's consolidated financial statements for the year ended 31 August 2025, which has been agreed with the auditor of the Company.

## **CHANGES TO DIRECTORS' INFORMATION**

With effect from 30 September 2025, Dr. Zhang Xiangwei and Ms. Sun Lixia ceased to be the executive Directors, and Mr. Zheng Chaoran ("**Mr. Zheng**") has been appointed as the executive Director.

Save as disclosed above, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 August 2025 as set out in this preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young 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 opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

## **PUBLICATION OF THE ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinakepeiedu.com](http://www.chinakepeiedu.com)), and the 2025 annual report of the Group for the year ended 31 August 2025 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

## **RESIGNATION OF JOINT COMPANY SECRETARY**

The Board hereby announces that Ms. Ng Ka Man ("**Ms. Ng**") has resigned as a joint company secretary of the Company (the "**Joint Company Secretary**") with effect from 28 November 2025. Ms. Ng confirms that there is no disagreement between herself and the Board and there is no other matter in relation to her resignation that needs to be brought to the attention to the Shareholders and the Stock Exchange.

Mr. Zheng Chaoran, the other Joint Company Secretary, has recently obtained confirmation from the Stock Exchange that, he has been qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules such that a further waiver will not be necessary. Following the resignation of Ms. Ng, Mr. Zheng will continue to act as the sole company secretary of the Company with effect from 28 November 2025.

The Board would like to take this opportunity to express its sincere gratitude to Ms. Ng for her valuable contributions to the Company during her tenure of office as the Joint Company Secretary.

## **CHANGE OF AUTHORISED REPRESENTATIVE**

Following Ms. Ng's resignation as a Joint Company Secretary, she has also resigned as an authorised representative of the Company (the "**Authorised Representative**") under Rule 3.05 of the Listing Rules.

The Board announces that Ms. Li Yan has been appointed as the Authorised Representative in replacement of Ms. Ng to discharge the functions of the Authorised Representative under Rule 3.05 of the Listing Rules, with effect from 28 November 2025. Mr. Ye Nianqiao, an executive Director, will continue to act as the other Authorised Representative.

## **DEFINITION**

|                            |   |
|----------------------------|---|
| AGM                        | Annual General Meeting  |
| Anhui School               | Maanshan College (馬鞍山學院), a degree-granting undergraduate- level education institution established in Maanshan, Anhui Province in 2003              |
| Audit Committee            | the audit committee of the Board  |
| Board                      | the board of Directors  |
| CG Code                    | the Corporate Governance Code contained in Appendix C1 to the Listing Rules   |
| Chairman                   | the chairman of the Board of the Company  |
| Company                    | China Kepei Education Group Limited (中國科培教育集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 24 August 2017 |
| Controlling Shareholder(s) | has the meaning ascribed to it under the Listing Rules  |
| Directors                  | the directors of the Company  |



|                     |  |
|---------------------|--|
| Group, we or us     | our Company, our subsidiaries and our consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time |
| Guangdong School    | Guangdong Polytechnic College (廣東理工學院), a degree-granting undergraduate-level education institution established in Zhaoqing, Guangdong Province on 8 December 2005 and is a consolidated affiliated entity of the Group  |
| Heilongjiang School | Harbin Institute of Petroleum (哈爾濱石油學院), a degree-granting undergraduate-level education institution established in Harbin, Heilongjiang Province in September 2003 and is a consolidated affiliated entity of the Group   |
| HKD                 | Hong Kong dollar, the lawful currency for the time being of Hong Kong  |
| HKFRS               | Hong Kong Financial Reporting Standards  |
| Hong Kong           | the Hong Kong Special Administrative Region of the PRC   |
| Huaibei School      | Huaibei Polytechnic College (淮北理工學院), a degree-granting undergraduate-level education institution established in Huaibei, Anhui Province in 2003 and is a consolidated affiliated entity of the Group  |
| Listing Rules       | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time  |
| Model Code          | the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix C3 to the Listing Rules  |
| Mr. Ye              | Mr. Ye Nianqiao (葉念喬), our founder, one of the Controlling Shareholders of the Company, Chairman and executive Director  |
| NPC                 | the National People's Congress of the PRC  |
| PRC                 | the People's Republic of China   |
| Reporting Period    | the year ended 31 August 2025  |
| Restricted Shares   | any Share(s) that may be offered by the Company to any selected participant to the Restricted Share Award Scheme   |



|                               |   |
|-------------------------------|---|
| Restricted Share Award Scheme | the restricted share award scheme adopted by the Company on 22 June 2020, which has been terminated as of the date of this announcement   |
| RMB                           | Renminbi, the lawful currency for the time being of the PRC   |
| Share(s)                      | ordinary share(s) of USD0.00001 each in the share capital of the Company  |
| Shareholder(s)                | holder(s) of the Share(s)   |
| Share Option Scheme           | the share option scheme adopted by the Company on 10 January 2019, which has been terminated as of the date of this announcement  |
| Stock Exchange                | the Stock Exchange of Hong Kong Limited   |
| Subsidiary(ies)               | has the meaning ascribed to it under the Listing Rules  |
| USD                           | United States dollars, the lawful currency for the time being of the United States  |
| Zhaoqing School               | Zhaoqing Science and Technology Secondary Vocational School (肇慶市科技中等職業學校), a private secondary vocational education institution established in Zhaoqing, Guangdong Province on 19 May 2000 and is a consolidated affiliated entity of the Group |

By order of the Board  
**China Kepei Education Group Limited**  
**YE Nianqiao**  
*Chairman*

Hong Kong, 28 November 2025

*As at the date of this announcement, the Board comprises Mr. YE Nianqiao, Ms. LI Yan, Mr. ZHA Donghui, Mr. YE Xun and Mr. ZHENG Chaoran as executive Directors, and Dr. XU Ming, Dr. DENG Feiqi and Mr. LU Chao as independent non-executive Directors.*