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If you have sold or transferred all your Shares in China Chunlai Education Group Co., Ltd., you should at once hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



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)

MAJOR TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
ACCOUNTANCY & BUSINESS COLLEGE (IRELAND) LIMITED
(TRADING AS DUBLIN BUSINESS SCHOOL)

A letter from the Board is set out on pages 6 to 17 of this circular.

This circular is being despatched to the Shareholders for information only. The Company has obtained written approval from Chunlai Investment Co., Ltd., the controlling shareholder of the Company, in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

30 October 2026

CONTENTS

	<i>Page</i>
DEFINITIONS.....	1
LETTER FROM THE BOARD.....	6
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP.....	I-1
APPENDIX II – ACCOUNTANTS’ REPORT OF THE TARGET GROUP.....	II-1
APPENDIX III – MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET GROUP.....	III-1
APPENDIX IV – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP.....	IV-1
APPENDIX V – VALUATION REPORT ON THE TARGET GROUP.....	V-1
APPENDIX VI – GENERAL INFORMATION OF THE GROUP.....	VI-1

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“%”	per cent.
“Acquisition”	the acquisition by the Company of the Sale Shares from the Seller pursuant to the terms and conditions of the Share Purchase Agreement, together with the assignment of the Transferring IP by Kaplan Inc. on Completion;
“Agreed Leakage Deduction”	any amount of Leakage which is received by the Seller or its affiliates prior to Completion, or is known to be received by the Seller or its affiliates after Completion, as agreed or determined in accordance with the Share Purchase Agreement;
“Announcement”	the announcement of the Company dated 5 August 2026 in relation to, among other things, the Acquisition;
“Board”	the board of Directors;
“Business Day(s)”	a day other than a Saturday or Sunday on which banks are open for general business in Dublin and Hong Kong;
“Circular”	this circular despatched to the Shareholders, for information purposes only, in relation to, among other things, the Acquisition;
“Company”	China Chunlai Education Group Co., Ltd. (中國春來教育集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1969);
“Completion”	completion of the Acquisition in accordance with the Share Purchase Agreement, which took place on 27 October 2026 (local Irish time);
“Completion Date”	12:01 a.m. local Irish time on 27 October 2026;

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	US\$127,500,000 (equivalent to approximately HK\$1 billion), being the consideration in respect of the Sale Shares and the Transferring IP;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Delay Announcement”	the announcement of the Company dated 26 August 2026 in relation to the grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules;
“Director(s)”	the director(s) of the Company from time to time;
“Enlarged Group”	the Group as enlarged by the Target Group upon Completion;
“EUR”	Euro, the lawful currency of the European Union;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons;
“Irish FDI Act”	the Screening of Third Country Transactions Act 2023, being the legislation governing the screening of foreign direct investment in Ireland;
“Kaplan Inc.”	a subsidiary of Graham Holdings Company (NYSE: GHC) and the indirect parent company of the Seller, being the owner of the Transferring IP prior to Completion;
“Latest Practicable Date”	29 October 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;

DEFINITIONS

“Leakage”	certain payments, transfers or other value extractions from the Target Group to the Seller or its affiliates between the Locked Box Accounts Date and Completion (other than Permitted Leakage);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Locked Box Accounts”	the unaudited consolidated balance sheet of the Target Group as at the Locked Box Accounts Date and the unaudited consolidated profit and loss account of the Target Group for the period from 31 December 2025 to the Locked Box Accounts Date;
“Locked Box Accounts Date”	30 April 2026;
“non-EU/EEA”	countries outside the European Union and the European Economic Area;
“Permitted Leakage”	has the meaning given to it in the Share Purchase Agreement, being certain categories of payments or transfers from the Target Group that are expressly permitted notwithstanding the locked box mechanism, provided that the aggregate amount of all Permitted Leakage (excluding increases in the intercompany loan balance owed by the Seller to the Target Group which was settled on Completion) shall not exceed US\$700,000 (equivalent to approximately HK\$5.49 million) without the prior written consent of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan;
“QQI”	Quality and Qualifications Ireland, an Irish state agency established under the Qualifications and Quality Assurance (Education and Training) Act 2012 (as amended);

DEFINITIONS

“Sale Shares”	the entire issued share capital of the Target Company;
“Seller”	Kaplan International UK Holdings Limited, a company incorporated and registered in England and Wales, being the sole legal and beneficial owner of the Sale Shares and an indirect subsidiary of Kaplan Inc.;
“Seller Group”	Kaplan UK Limited, the Seller and any other company which is or becomes a subsidiary of Kaplan UK Limited or the Seller, but excluding the Target Group;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company;
“Share Purchase Agreement”	the share purchase agreement dated 5 August 2026 entered into between the Company (as purchaser) and the Seller in relation to the Acquisition;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Accountancy & Business College (Ireland) Limited (trading as Dublin Business School), a private company limited by shares incorporated and registered in Ireland;
“Target Group”	the Target Company and DBS Services SDN BHD, a Malaysian wholly owned subsidiary of the Target Company;
“Transferring IP”	the intellectual property (comprising registered trade marks relating to the “Dublin Business School” and “DBS” brands in Ireland, the United Kingdom and the European Union) transferred by Kaplan Inc. to the Group on Completion;
“US\$”	United States dollar, the lawful currency of the United States of America;

DEFINITIONS

“Valuation”	the valuation of the Target Group (which takes into account the Transferring IP on the basis that it has been transferred to the Group pursuant to the Share Purchase Agreement) conducted by the Valuer for the purpose of assessing the fairness and reasonableness of the Consideration;
“Valuation Date”	31 August 2026;
“Valuation Report”	the report prepared by the Valuer in respect of the Valuation;
“Valuer”	Colliers International (Hong Kong) Limited, an independent professional firm providing valuation and consulting services engaged by the Company for the purpose of the Valuation;

In this circular, amounts in US\$ and EUR are translated into HK\$ on the basis of US\$1.00 to HK\$7.8431 and EUR1.00 to HK\$9.0498, respectively. The conversion rate is for illustration purposes only and should not be taken as a representation that the foregoing currencies could actually be converted into HK\$ at such rates or at other rates or at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. HOU Junyu

Ms. JIANG Shuqin

Ms. ZHANG Jie (*Chief Executive Officer*)

Registered Office:

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

Non-executive Director:

Mr. HOU Chunlai

Head office and principal place of

business in Hong Kong:

Independent Non-executive Directors:

Dr. JIN Xiaobin

Ms. FOK, Pui Ming Joanna

Mr. LAU, Tsz Man

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

30 October 2026

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
ACCOUNTANCY & BUSINESS COLLEGE (IRELAND) LIMITED
(TRADING AS DUBLIN BUSINESS SCHOOL)**

INTRODUCTION

References are made to (i) the Announcement; and (ii) the Delay Announcement, in relation to, among other things, the Acquisition.

On 5 August 2026, the Company (as the Purchaser) entered into the Share Purchase Agreement with the Seller, pursuant to which the Company had acquired, and the Seller had sold the Sale Shares, being the entire issued share capital of the Target Company, free from all encumbrances and together with all rights attached thereto as at the Completion Date. Completion of the Share Purchase Agreement took place on 27 October 2026 (local Irish time). Since then, the Target Company has become a wholly-owned subsidiary of the Company and the Transferring IP has been assigned by Kaplan Inc. to the Group.

LETTER FROM THE BOARD

The Target Company is a private company limited by shares incorporated and registered in Ireland, operating an Irish registered higher education institution accredited by QQI that provides in-person undergraduate and graduate degree programmes under the “Dublin Business School” brand. Following Completion, the Target Company has become a wholly-owned subsidiary of the Company and the financial results of the Target Group have been consolidated into the financial statements of the Group.

Prior to the date of the Share Purchase Agreement, a notification in respect of the Acquisition was submitted to the Irish Department of Enterprise, Tourism and Employment under the Irish FDI Act. On 30 July 2026, the department confirmed that the Acquisition does not require a screening review and may proceed to completion.

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Purchase Agreement and the transactions contemplated thereunder; (ii) the financial information of the Target Group; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) the Valuation Report; and (v) other information as required under the Listing Rules.

PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

Date

5 August 2026

Parties

- (1) the Company (as the Purchaser)
- (2) Kaplan International UK Holdings Limited, a company incorporated and registered in England and Wales (as the Seller)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Seller, its ultimate holding company (Graham Holdings Company) and its ultimate controllers (being members of the Graham family) are Independent Third Parties.

LETTER FROM THE BOARD

Subject of the Acquisition

Pursuant to the Share Purchase Agreement, the Company had acquired, and the Seller had sold, the Sale Shares, being the entire issued share capital of the Target Company, free from all encumbrances and together with all rights attached thereto as at the Completion Date. The Transferring IP, comprising registered trade marks relating to the “Dublin Business School” and “DBS” brands in Ireland, the United Kingdom and the European Union, had been assigned by Kaplan Inc. (a parent company of the Seller and owner of the Transferring IP) to the Group on Completion, providing the Group with full ownership of the brand.

Consideration

The Consideration in respect of the Sale Shares and the Transferring IP is US\$127,500,000 (equivalent to approximately HK\$1 billion). The Share Purchase Agreement adopts a locked box pricing mechanism. Following Completion, the economic interest in the Target Company is deemed to have effectively passed to the Company from the Locked Box Accounts Date (being 30 April 2026). During the period from the Locked Box Accounts Date to Completion, if there is any Leakage (other than Permitted Leakage), the amount of such Leakage shall be deducted from the Consideration payable by the Company to the Seller as an Agreed Leakage Deduction. The aggregate amount of all Permitted Leakage (excluding increases in the intercompany loan balance owed by the Seller to the Target, which had been settled on Completion) shall not exceed US\$700,000 (equivalent to approximately HK\$5.49 million) without the prior written consent of the Company.

The Consideration of US\$127,500,000 had been paid by the Company to the Seller in cash in immediately available funds on the Completion Date. Any deductions pursuant to the Share Purchase Agreement shall be refunded to the Company as soon as reasonably practicable following Completion.

The payment of the Consideration was funded from the internal resources of the Group and external financing arranged by the Company. The Company has secured acquisition financing in the principal amount of RMB449,400,000 from a commercial bank in the PRC for a term of 10 years, with interest payable on a quarterly basis and principal repayable in 20 semi-annual instalments according to the repayment schedule. The balance of the Consideration was funded from the internal resources of the Group.

LETTER FROM THE BOARD

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Company and the Seller.

The Valuation provides the principal quantitative basis for assessing the fairness and reasonableness of the Consideration. As set out in the Valuation Report contained in Appendix V to this circular, the Valuer assessed the fair value of a 100% equity interest in the Target Group at approximately US\$172,000,000 (equivalent to approximately EUR147,900,000) as at the Valuation Date, adopting the market approach (guideline public company method) based on EV/EBITDA multiples derived from comparable publicly listed companies, and after applying a control premium and a discount for lack of marketability. The Consideration represents a discount of approximately 25.9%, or approximately US\$44,500,000, to the assessed fair value of the Target Group.

The Consideration represents a significant premium over the unaudited net assets of the Target Group of approximately EUR13.9 million (equivalent to approximately HK\$125.8 million) as at 30 June 2026. The Target Group operates an asset-light, service-driven education business model where its net assets primarily reflect working capital, physical fixtures and right-of-use operational leases. Standard asset-based net book value metrics do not capture the true earning power of higher education institutions. In particular, under IFRS Accounting Standards, internally generated intangible assets such as brand names, institutional reputation and student recruitment frameworks are not capitalised on the balance sheet. The Consideration therefore reflects, in substantial part, the acquisition of these important intangible assets that are not reflected on the balance sheet. As set out in the unaudited pro forma financial information of the Enlarged Group in Appendix IV to this circular, the preliminary purchase price allocation in respect of the Acquisition attributes approximately RMB220.98 million (equivalent to approximately EUR29.0 million) to identifiable intangible assets (including brand names) and approximately RMB567.93 million (equivalent to approximately EUR74.5 million) to goodwill, which represents the institutional reputation, student recruitment framework, future earning power of the Target Group and the potential strategic synergies between the Group and the Target Group. As set out in the Valuation Report, the Valuer adopted the market approach (rather than the asset-based approach) on the basis that a significant portion of the Target Group's value is attributable to its established brand, QQI accreditation status, student recruitment capability and other value-driving attributes which are not fully reflected in its net asset position. The premium over net assets is consistent with the valuation multiples observed among comparable publicly listed education companies, which similarly trade at significant premiums to their respective net asset values, reflecting the earning power and intangible value inherent in education businesses.

LETTER FROM THE BOARD

As set out in the Valuation Report, the Valuer identified five comparable publicly listed companies with EV/EBITDA multiples ranging from approximately 10.77x to 17.92x, with an average of approximately 13.72x. The implied EV/EBITDA multiple of the Consideration (before adjustments for control premium and discount for lack of marketability) is within the range of the comparable companies, which the Directors consider to be supportive of the reasonableness of the Consideration.

The Target Group has maintained a consistent track record of profitability throughout the periods under review, while management noted that the Target Group's recent financial performance has moderated. In particular, profit before taxation of the Target Group eased from approximately EUR9.3 million for the year ended 31 December 2024 to approximately EUR8.2 million for the year ended 31 December 2025, and this trend has continued into the first half of 2026, with the Target Group recording lower revenue in the six-month period ended 30 June 2026 compared to the corresponding period in 2025. This moderation is primarily attributable to reduced student enrolments from particular non-EU/EEA markets, such as India, as a result of more restrictive student visa approvals in Ireland generally, particularly in terms of enhanced documentation verification and extended processing time, which have in turn affected the timing of student intake as a portion of expected enrolments were being deferred to subsequent intake periods. Management is not aware that there has been any official or policy change to Ireland's student sponsorship regime or outbound student mobility rules generally. The Target Company retains valid sponsorship approval from the relevant Irish regulatory authorities to sponsor or enroll students from the affected markets once the relevant visas are issued. A material proportion of affected offer-holders have elected to defer their enrolment to a subsequent intake rather than withdraw their applications, which is indicative of sustained underlying demand for the Target Company's offerings. Management acknowledges that student visa processing is inherently subject to factors outside the Target Group's control, including consular operational capacity and broader geopolitical developments, and that there can be no assurance as to the duration or severity of any such disruption. To structurally reduce the Target Group's exposure to this risk and mitigate its financial impact, management has identified a combination of measures, including (i) actively adjusting recruitment strategies and strengthening the Target Group's worldwide agent network to focus on emerging growth regions; (ii) diversifying the Target Group's student base and recruitment channels across a broader range of geographies, including the EU, Middle East and Southeast Asia, to reduce reliance on any single source market and offset short-term intake volatility; (iii) developing online learning degree and diploma programmes, accredited transnational education programmes delivered at partner locations in students' home jurisdictions, and new overseas education hubs, the attendance of which does not require an Irish student visa, thereby structurally reducing the Group's long-term exposure to Ireland-bound student visa processing risk; and (iv) leveraging the Group's extensive student network in the PRC, where the Group operates as a major private higher education provider with an enrolled student base of over 110,000 students, to provide support in diversifying the Target Group's student recruitment pipeline through internal referral channels for undergraduate, postgraduate and study-abroad programmes. Management is also given to understand that, based on its ongoing dialogue with immigration advisers, visa processing delay is expected to be temporary rather than reflecting a structural shift in demand or a permanent tightening of Ireland's visa or sponsorship regime. Management is therefore of the view that the near-term moderation in financial performance does not materially diminish the long-term value proposition of the Target Group.

LETTER FROM THE BOARD

Following Completion, the Group intends for the Target Company to continue to operate in the ordinary course of business on a standalone basis with the least practicable disruption to its existing operations. The Group's principal post-Completion efforts in respect of the Target Group are expected to focus on supporting student enrolment, strengthening recruitment capabilities and diversifying the Target Company's student base across a broader range of geographies and programmes to meet the addressable demand for the Target Company's educational offerings. Management does not expect material integration overhead to be necessary post-Completion. Management's assessment in this regard is based on the expected scope, duration and cost of the transitional services to be provided by the Seller Group following Completion. As the Target Group was integrated with the Seller Group prior to Completion, the transitional services are intended primarily to enable the Target Group to transition to independent operation (including, for example, migrating information technology systems, finance and human resources functions onto standalone platforms of the Target Group), rather than to integrate the Target Group's systems and platforms into those of the Group. The transitional services currently supported by the Seller Group are expected to run for approximately six months post-Completion, by which time the Target Group is expected to have established the necessary standalone systems and functions to operate independently. The total cost of the transitional services arrangements is estimated at approximately EUR0.5 million, which has been factored into the Target Group's post-Completion working-capital and cost planning. Accordingly, management does not expect material ongoing integration overhead or dependency on the Group's systems or functions following expiry of the transitional services period. On this basis, management considers that the anticipated transitional services costs and the related operational dependencies on the Seller Group, which are time-limited and have been quantified, have been adequately factored in, and do not have a material adverse effect on, the Company's assessment of the Acquisition and the Target Group's working-capital requirements.

Taking into account the above factors in aggregate, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Intercompany Loan Settlement

As at 30 June 2026, the Target Group had approximately EUR1.6 million due from the Seller Group arising from advances made by the Target Group to the Seller Group (the “**Intercompany Loan**”). The Intercompany Loan represents amounts owed by the Seller Group to the Target Group in respect of cash swept upward from the Target Group into the Seller Group's treasury arrangements in the ordinary course of the Seller Group's cash management operations.

LETTER FROM THE BOARD

Pursuant to the Share Purchase Agreement, the Seller is contractually required to procure that the Seller Group repays the Intercompany Loan in full to the Target Group on or before Completion. As a Completion deliverable under the Share Purchase Agreement, the Seller is required to deliver to the Company (i) a deed confirming the termination and discharge of the Intercompany Loan and (ii) reasonable evidence (including bank statements or other payment confirmation) evidencing the receipt of cleared funds by the Target Group in respect of all amounts outstanding under the Intercompany Loan. The Company expects that the cash received by the Target Group upon repayment of the Intercompany Loan will remain within the Target Group following Completion.

To the best of the Company's knowledge and based on documentary evidence provided by the Seller, the Intercompany Loan had been repaid in full on Completion.

The unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular has been prepared on the assumption that the Intercompany Loan is settled in full prior to Completion and that the proceeds thereof remain within the Target Group at Completion. The Valuer's assessment of the fair value of the Target Group reflects the Target Group's financial position inclusive of the Intercompany Loan receivable, which the Valuer has treated as cash and cash equivalents for the purpose of determining the enterprise value of the Target Group.

Completion

Completion took place on 27 October 2026. Since then, the Target Company has become a wholly-owned subsidiary of the Company.

Non-Compete Undertaking

For a period of up to 18 months following Completion, the Seller shall not, and shall procure that no member of the Seller Group shall, own or operate a competing business (being any business owned or operated by Seller Group that provides QQI accredited, in-person undergraduate or graduate degree programmes in Ireland). The Seller is also subject to a non-solicitation restriction in respect of officers and managers of the Target Company for the same period. Certain carve-outs apply, including in respect of the existing businesses of the Seller's affiliates, online or technology-based education services in Ireland, and activities outside Ireland.

Transitional services

In connection with the Acquisition, the Group and the Seller Group are finalising the terms of certain transitional services to be provided by the Seller Group to the Target Company for a transitional period following Completion, including information technology, finance, human resources, data sharing and migration, intellectual property licensing and other operational support services. Certain of these services relate to functions currently performed by or on behalf of the Target Company utilising the Seller Group's systems, infrastructure and resources. The Target Company will switch to alternative service providers other than the Seller Group during the transitional period, following which the Target Company will no longer require such services from the Seller Group.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE ACQUISITION

Following Completion, the Target Company has become a wholly-owned subsidiary of the Company and the financial results of the Target Group have been consolidated into the financial statements of the Group.

Assets and Liabilities

As at 28 February 2026, the unaudited consolidated total assets and total liabilities of the Group amounted to approximately RMB7,727.7 million and RMB2,685.2 million, respectively. Assuming Completion had taken place on 28 February 2026, the unaudited pro forma total assets and total liabilities of the Enlarged Group would have increased to approximately RMB8,486.4 million and RMB3,449.0 million, respectively, as a result of the Acquisition. Further details are set out in Appendix IV to this circular.

Earnings

As set out in Appendix II to this circular, for the years ended 31 December 2024 and 31 December 2025, the audited revenue of the Target Group was approximately EUR44.8 million and EUR45.1 million, respectively, and the profit before taxation of the Target Group was approximately EUR9.3 million and EUR8.2 million, respectively.

Following Completion, the financial results of the Target Group have been consolidated into the financial statements of the Group, and the earnings of the Enlarged Group will be affected by the performance of the Target Group. The Acquisition is expected to contribute towards broadening the revenue and earnings base of the Enlarged Group in the future.

Further details of the financial effects of the Acquisition, together with the bases for preparing the unaudited pro forma financial information of the Enlarged Group, are set out, for illustration purposes only, in Appendix IV to this circular.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition represents a significant step in implementing the Group's overseas expansion strategy. Ireland is the only English-speaking country in the European Union ("EU") and is widely recognised as an attractive destination for international students, offering globally recognised qualifications, strong graduate employability, EU mobility programmes and favourable post-study work opportunities. Ireland's macroeconomic fundamentals are supportive of long-term demand for higher education, with GDP growth of 2.6% in 2024, low unemployment and a pro-business environment that has attracted over 970 multinational corporations to establish operations in the country. The European higher education sector has seen significant merger and acquisition activities in recent years, with trade buyers and private equity firms actively pursuing higher education assets, reflecting the strong strategic value attributed to quality education platforms.

LETTER FROM THE BOARD

The Target Company has a well-diversified international student base, drawing students from Ireland, Europe, Africa, Asia and the Americas.

The Group intends to support the continued growth and development of Dublin Business School following Completion by investing in its academic programmes, student services and campus facilities, and by leveraging the Group's experience in operating private higher education institutions to enhance the Target Group's operational efficiency and student outcomes. The Directors also believe that the Group's extensive student network and recruitment capabilities may provide opportunities to supplement the Target Company's existing student pipeline and support continued enrolment growth. The Directors consider that the Acquisition offers the Group an opportunity to diversify its income streams geographically and to create long-term value for Shareholders by expanding into the Irish higher education sector, and is strategically aligned with the Group's objectives to enhance its international education capabilities. Taking into account the above, the Directors (including the independent non-executive Directors) consider that the terms of the Share Purchase Agreement are fair and reasonable, and the Acquisition is in the interest of the Company and the Shareholders as a whole.

FINANCIAL INFORMATION OF THE TARGET GROUP

Detailed financial information of the Target Group is set out in the accountant's report in Appendix II to this circular. Appendix IV to this circular presents the unaudited pro forma financial information of the Enlarged Group and describes the basis of preparation thereof.

VALUATION

The Company has engaged the Valuer to conduct a valuation of the Target Group (which takes into account the Transferring IP on the basis that it has been transferred to the Group pursuant to the Share Purchase Agreement) for the purpose of evaluating the fairness and reasonableness of the Consideration. The Valuation has been prepared in accordance with internationally recognised valuation standards. Based on the available financial information of the Target Group, the Valuer has determined that the fair value of the Target Group is approximately US\$172,000,000 as at the Valuation Date (i.e. 31 August 2026). Details of the Valuation are set out in the Valuation Report contained in Appendix V to this circular.

LETTER FROM THE BOARD

Valuation approach

The Valuer considered the three generally accepted valuation approaches, namely the income approach, the asset-based approach and the market approach, in assessing the fair value of the Target Group. The income approach values a business based on the present value of its expected future economic benefits. Given the uncertainties associated with forward-looking projections and the difficulty in substantiating medium-to-long term forecasts with a sufficient degree of reliability for valuation purposes, the Valuer considered that the income approach was not the most appropriate valuation methodology in the present circumstances. The asset-based approach determines value with reference to the market value of a company's assets and liabilities. As the Target Group operates as an educational services provider, and a significant portion of its value is attributable to its established brand, accreditation status, student recruitment capability and other value-driving attributes, the Valuer considered the asset-based approach to be less appropriate. The market approach derives value by reference to valuation multiples of comparable publicly listed companies and comparable market transactions. In light of the availability of relevant market data and the operating characteristics of the Target Group, the Valuer considered that the market approach provides a reasonable basis for assessing the fair value of the Target Group. Accordingly, the market approach was adopted in arriving at the valuation conclusion. Details of the valuation methodology, selection criteria for comparable companies and transactions, valuation multiples adopted and relevant adjustments made by the Valuer are set out in the Valuation Report contained in Appendix V to this circular.

INFORMATION ON THE PARTIES

The Company

The Company is incorporated in the Cayman Islands as an exempted limited liability company, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1969). The Group is one of the leading providers of private higher education in China. Since its inception in 2004, the Group has grown to operate four universities/colleges in Henan Province and two colleges in Hubei Province, and participates in the operation of one college in Jiangsu Province.

The Seller

The Seller is an indirect subsidiary of Kaplan Inc., which is in turn a subsidiary of Graham Holdings Company (NYSE: GHC), a diversified holding company listed on the New York Stock Exchange whose principal operations include educational services, television broadcasting, healthcare services, manufacturing, automotive, retail, media, e-commerce and digital services, restaurants and custom framing. Members of the Graham family control Graham Holdings Company through their ownership of Class A common stock. Prior to Completion, the Seller was the sole legal and beneficial owner of the Sale Shares (being the entire issued share capital of the Target Company).

LETTER FROM THE BOARD

The Target Group

The Target Company is Accountancy & Business College (Ireland) Limited (trading as Dublin Business School), a private company limited by shares incorporated and registered in Ireland. The Target Company operates Dublin Business School, one of Ireland's largest independent third-level colleges, established in 1975. Dublin Business School is an Irish registered higher education institution whose programmes are accredited by QQI, serving approximately 9,000 students annually across a range of undergraduate and postgraduate degree programmes in disciplines including business, law, arts, psychology and information technology, as well as academic accounting courses and tuition for professional qualifications. The Target Company operates from multiple buildings in Dublin city centre and employs more than 400 employees. Dublin Business School's programmes are delivered on a full-time, part-time, evening and online basis. Dublin Business School also offers regulated transnational programmes delivered through partner institutions in Malaysia, Germany and the Czech Republic. Dublin Business School was awarded a TrustEd Ireland Mark in October 2025, enabling it to recruit non-EU/EEA international students for approved programmes requiring study permissions or student visas. The Target Company has a Malaysian subsidiary, DBS Services SDN BHD, which provides support services to the Target Company, including particularly in the enrolment of students from South East Asia.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% but are all less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. As none of the Directors has any material interest in the Acquisition and the transactions contemplated thereunder, none of the Directors is required to abstain from voting on the Board resolutions approving the Acquisition and the transactions contemplated thereunder.

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, the Company has obtained written approval from Chunlai Investment Co., Ltd., the controlling shareholder of the Company, which holds 900,000,000 Shares, representing approximately 75% of the issued share capital of the Company, to approve the Share Purchase Agreement and the transactions contemplated thereunder. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Acquisition.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the Acquisition, and therefore no Shareholder is required to abstain from voting if a general meeting of the Company were to be convened to approve the Share Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Share Purchase Agreement are fair and reasonable, and the Acquisition is in the interest of the Company and the Shareholders as a whole. Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolution to approve the Share Purchase Agreement and the transactions contemplated thereunder at such general meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

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

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the financial years ended 31 August 2023, 31 August 2024 and 31 August 2025 and the unaudited interim financial information of the Group for the six months ended 28 February 2026 are disclosed in the following annual reports and interim report of the Company, which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.chunlaiedu.com>):

- Annual report of the Company for the year ended 31 August 2023:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1228/2023122800334.pdf>
- Annual report of the Company for the year ended 31 August 2024:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1223/2024122300275.pdf>
- Annual report of the Company for the year ended 31 August 2025:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1223/2025122300214.pdf>
- Interim report of the Company for the six months ended 28 February 2026:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0528/2026052800513.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Enlarged Group was as follows:

Borrowings

	<i>RMB'000</i>
Bank and other borrowings	
– Unsecured and unguaranteed	324,448
– Unsecured and guaranteed	383,076
– Secured and guaranteed	1,165,868
	<hr/>
Total	1,873,392
	<hr/> <hr/>

Lease liabilities

As at 30 September 2026, the Enlarged Group had lease liabilities of approximately RMB28,092,000 which was secured by rental deposit and unguaranteed. Also, as at 30 September 2026, the Enlarged Group had lease liabilities of approximately RMB9,554,000, certain of which were guaranteed.

Contingent liabilities

The Enlarged Group had no significant contingent liabilities as at 30 September 2026.

Save as aforementioned or as otherwise disclosed herein, and apart from intra-group liabilities within the Group and normal trade payables and other liabilities in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, other recognised lease liabilities or lease commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other contingent liabilities at the close of business on 30 September 2026.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances, banking facilities available and other internal resources available to the Enlarged Group and also the effect of the Acquisition, the Enlarged Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 August 2025 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The following discussion of the financial and trading prospects of the Enlarged Group should be read in conjunction with the financial information of the Group set out in Appendix I to this circular, the accountant's report on the Target Group set out in Appendix II to this circular, and the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular.

The Group is one of the leading providers of private higher education in China. Since its inception in 2004, the Group has grown to operate four universities/colleges in Henan Province and two colleges in Hubei Province, and participates in the operation of one college in Jiangsu Province. For the six months ended 28 February 2026 (the “**Reporting Period**”), the Group recorded revenue of RMB956.3 million, representing an increase of 7.4% from RMB890.7 million for the six months ended 28 February 2025, primarily driven by an increase in student enrolment. The total number of students enrolled at the Group’s colleges increased from 110,861 as at 28 February 2025 to 116,784 as at 28 February 2026, representing a year-on-year increase of approximately 5.3%. The Group’s adjusted net profit for the Reporting Period was RMB432.1 million, representing an increase of 7.3% from the corresponding period in 2025.

The Group intends to continue to increase its total number of student enrolment by acquiring additional land use rights and constructing new education and living facilities at its existing campuses. The Directors consider that, given the Group’s track record of delivering quality private higher education and its industry reputation, the education authorities in the PRC will be receptive to applications for increasing admission quotas, provided that the Group is able to demonstrate sufficient school capacity, appropriate facilities and quality education programmes. The Group also continues to actively work on the conversion of Tianping College into a standalone private ordinary college, which, upon completion, will become a consolidated affiliated entity of the Company and is expected to further expand the Group’s student base and revenue.

The Target Company operates Dublin Business School, one of Ireland’s largest independent third-level colleges, established in 1975. Dublin Business School is an Irish registered higher education institution whose programmes are accredited by QQI, serving approximately 9,000 students annually across a range of undergraduate and postgraduate degree programmes in disciplines including business, law, arts, psychology and information technology. For the years ended 31 December 2024 and 31 December 2025, the Target Group recorded revenue of EUR44.8 million and EUR45.1 million, and profit before taxation of EUR9.3 million and EUR8.2 million, respectively. As at 30 April 2026 (being the Locked Box Accounts Date), the unaudited net assets of the Target Group amounted to approximately EUR16.6 million (equivalent to approximately HK\$150.2 million). Dublin Business School was awarded a TrustEd Ireland Mark in October 2025, enabling it to recruit non-EU/EEA international students for approved programmes requiring study permissions or student visas, which the Directors believe will support continued enrolment growth.

Following Completion, the Enlarged Group comprises the Group's existing private higher education operations in China and the Target Group's operations in Ireland. The Directors believe that the Acquisition will enable the Enlarged Group to diversify its income streams geographically and reduce its concentration risk in the PRC market. Ireland is the only English-speaking country in the European Union and is widely recognised as an attractive destination for international students, offering globally recognised qualifications, strong graduate employability, EU mobility programmes and favourable post-study work opportunities. The Directors also believe that the Group's extensive student network and recruitment capabilities may provide opportunities to supplement the Target Company's existing student pipeline and support continued enrolment growth at Dublin Business School. The Directors (including the independent non-executive Directors) are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole and is strategically aligned with the Group's objectives to enhance its international education capabilities.

The following is the text of a report received from the independent reporting accountants, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this circular.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHINA CHUNLAI EDUCATION GROUP CO., LTD.

Introduction

We report on the historical financial information of Accountancy & Business College (Ireland) Limited (the “**Target Company**”) and its subsidiary, hereinafter collectively referred to as the “**Target Group**”, set out on pages II-4 to II-36, which comprises the consolidated and company statements of financial position as at 31 December 2023, 2024, 2025 and 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the three years ended 31 December 2023, 2024, 2025, and for the six months ended 30 June 2026 (the “**Relevant Periods**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information forms an integral part of this report, which has been prepared for inclusion in the circular of China Chunlai Education Group Co., Ltd. (the “**Company**”) dated 30 October 2026 in connection with the acquisition of the entire issued share capital of the Target Group.

Directors' responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants' Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Company's and the Target Group's financial position as at 31 December 2023, 2024, 2025 and 30 June 2026 and of the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Target Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited**Adjustments**

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Hong Kong, 30 October 2026

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

Accountancy & Business College (Ireland) Limited (the “**Target Company**”) was incorporated in the Republic of Ireland with limited liability in July 1988. The principal activities of the Target Company are the provision of educational courses in business, computing, humanities, law and social science subjects and related areas. The Target Company and its subsidiaries are hereinafter collectively referred to as the “**Target Group**”. As at the date of this report, the Target Company has the following subsidiary:

Name of subsidiary	Place and date of incorporation	Issued and fully paid share	Attributable equity interest of the Target Group	Principal activities
DBS Services SDN. BHD.	Malaysia, 12 September 2014	RM1,000,000	100%	Providing educational and student recruitment administration services

The statutory financial statements of DBS Services SDN. BHD. for each of the three years ended 31 December 2025 have been prepared in accordance with Malaysian Financial Reporting Standards and were audited by GTC Partners PLT, a certified public accounting firm registered in Malaysia.

The directors of the Target Company have prepared the consolidated financial statements of the Target Group for the Relevant Periods in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**Underlying Financial Statements**”). We have performed our independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Euro (“€”) and all values are rounded to the nearest thousand (€’000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December			Six months ended	
		2023	2024	2025	30 June	2026
		€'000	€'000	€'000	€'000	€'000
					(unaudited)	
Revenue	7	39,696	44,773	45,084	23,108	18,248
Cost of revenue		(15,555)	(18,710)	(19,382)	(9,490)	(7,592)
Gross profit		24,141	26,063	25,702	13,618	10,656
Other income, other gains and losses, net	8	2,206	3,441	2,890	1,505	1,010
Indirect staff costs		(9,428)	(10,483)	(10,922)	(5,178)	(5,425)
Operating expenses		(8,489)	(9,381)	(9,161)	(4,647)	(3,978)
Profit from operations		8,430	9,640	8,509	5,298	2,263
Finance costs	9	(299)	(329)	(266)	(141)	(108)
Profit before tax		8,131	9,311	8,243	5,157	2,155
Income tax expenses	10	(1,358)	(1,722)	(1,209)	(904)	(507)
Total comprehensive income for the year/period		<u>6,773</u>	<u>7,589</u>	<u>7,034</u>	<u>4,253</u>	<u>1,648</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at
	Notes	2023	2024	2025	30 June
		€'000	€'000	€'000	2026
					€'000
Non-current assets					
Plant and equipment	13	2,071	2,450	2,265	2,003
Right-of-use assets	14	7,753	7,763	5,944	5,046
Prepayments	17	2,461	1,968	1,693	1,431
Deferred tax assets	16	79	88	135	135
		<u>12,364</u>	<u>12,269</u>	<u>10,037</u>	<u>8,615</u>
Current assets					
Trade and other receivables	17	12,539	13,277	11,644	10,031
Amount due from the immediate holding company	18	18,366	20,664	18,452	16,376
Amount due from the intermediate holding company	18	4,000	–	–	162
Amount due from a fellow subsidiary	18	20	–	–	–
Current tax assets		–	–	118	606
Cash and cash equivalents	19	21,806	32,408	21,131	15,162
		<u>56,731</u>	<u>66,349</u>	<u>51,345</u>	<u>42,337</u>
Current liabilities					
Trade payables, accruals and other payables	20	4,768	4,707	3,766	4,017
Amount due to fellow subsidiaries	18	909	147	291	117
Contract liabilities	21	46,197	55,467	38,848	27,578
Current tax liabilities		774	1,092	–	–
Lease liabilities	22	1,547	1,758	1,827	1,861
		<u>54,195</u>	<u>63,171</u>	<u>44,732</u>	<u>33,573</u>
Net current assets		<u>2,536</u>	<u>3,178</u>	<u>6,613</u>	<u>8,764</u>
Total assets less current liabilities		<u>14,900</u>	<u>15,447</u>	<u>16,650</u>	<u>17,379</u>

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		€'000	€'000	€'000	€'000
Non-current liabilities					
Lease liabilities	22	<u>6,298</u>	<u>6,256</u>	<u>4,425</u>	<u>3,506</u>
NET ASSETS		<u><u>8,602</u></u>	<u><u>9,191</u></u>	<u><u>12,225</u></u>	<u><u>13,873</u></u>
Equity and reserves					
Share capital	23	75	75	75	75
Reserves		<u>8,527</u>	<u>9,116</u>	<u>12,150</u>	<u>13,798</u>
TOTAL EQUITY		<u><u>8,602</u></u>	<u><u>9,191</u></u>	<u><u>12,225</u></u>	<u><u>13,873</u></u>

STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

		As at 31 December			As at
	Notes	2023	2024	2025	30 June
		€'000	€'000	€'000	2026
					€'000
Non-current assets					
Plant and equipment	13	2,071	2,450	2,265	2,003
Right-of-use assets	14	7,753	7,763	5,944	5,046
Investment in a subsidiary	15	520	520	520	520
Prepayments	17	2,461	1,968	1,693	1,431
Deferred tax assets	16	79	88	135	135
		<u>12,884</u>	<u>12,789</u>	<u>10,557</u>	<u>9,135</u>
Current assets					
Trade and other receivables	17	9,396	9,776	9,020	7,716
Amount due from the immediate holding company	18	18,365	20,664	18,452	16,376
Amount due from the intermediate holding company	18	4,000	–	–	162
Amount due from a fellow subsidiary	18	20	–	–	–
Amount due from a subsidiary	18	16,957	26,204	15,032	10,045
Current tax assets		–	–	26	538
Cash and cash equivalents	19	1,960	2,118	3,098	1,791
		<u>50,698</u>	<u>58,762</u>	<u>45,628</u>	<u>36,628</u>
Current liabilities					
Trade payables, accruals and other payables	20	3,815	3,549	3,602	3,455
Amount due to fellow subsidiaries	18	906	148	362	139
Contract liabilities	21	43,294	52,151	36,370	25,500
Current tax liabilities		168	306	–	–
Lease liabilities	22	1,547	1,758	1,827	1,861
		<u>49,730</u>	<u>57,912</u>	<u>42,161</u>	<u>30,955</u>
Net current assets		<u>968</u>	<u>850</u>	<u>3,467</u>	<u>5,673</u>
Total assets less current liabilities		<u>13,852</u>	<u>13,639</u>	<u>14,024</u>	<u>14,808</u>

		As at 31 December			As at 30 June
	<i>Notes</i>	2023	2024	2025	2026
		€'000	€'000	€'000	€'000
Non-current liabilities					
Lease liabilities	22	<u>6,298</u>	<u>6,256</u>	<u>4,425</u>	<u>3,506</u>
NET ASSETS		<u><u>7,554</u></u>	<u><u>7,383</u></u>	<u><u>9,599</u></u>	<u><u>11,302</u></u>
Equity and reserves					
Share capital	23	75	75	75	75
Reserves		<u>7,479</u>	<u>7,308</u>	<u>9,524</u>	<u>11,227</u>
TOTAL EQUITY		<u><u>7,554</u></u>	<u><u>7,383</u></u>	<u><u>9,599</u></u>	<u><u>11,302</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital €'000	Share premium account €'000	Retained earnings €'000	Total €'000
At 1 January 2023	75	277	9,977	10,329
Total comprehensive income for the year	–	–	6,773	6,773
Dividend declared	–	–	(8,500)	(8,500)
At 31 December 2023 and 1 January 2024	75	277	8,250	8,602
Total comprehensive income for the year	–	–	7,589	7,589
Dividend declared	–	–	(7,000)	(7,000)
At 31 December 2024 and 1 January 2025	75	277	8,839	9,191
Total comprehensive income for the year	–	–	7,034	7,034
Dividend declared	–	–	(4,000)	(4,000)
At 31 December 2025 and 1 January 2026	75	277	11,873	12,225
Total comprehensive income for the period	–	–	1,648	1,648
At 30 June 2026	<u>75</u>	<u>277</u>	<u>13,521</u>	<u>13,873</u>
At 1 January 2025	75	277	8,839	9,191
Total comprehensive income for the period (unaudited)	–	–	4,253	4,253
At 30 June 2025 (unaudited)	<u>75</u>	<u>277</u>	<u>13,092</u>	<u>13,444</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Cash flows from operating activities					
Profit before tax	8,131	9,311	8,243	5,157	2,155
Adjustments for:					
Finance costs	299	329	266	141	108
Interest income	(806)	(1,703)	(1,181)	(628)	(475)
Depreciation of plant and equipment	602	755	823	435	402
Depreciation of right-of-use assets	1,636	1,798	1,819	960	898
Provision for/(reversal of) loss allowance on trade receivables	30	230	(58)	(268)	71
Operating profit before working capital changes	9,892	10,720	9,912	5,797	3,159
Change in trade and other receivables	(1,648)	(475)	1,966	1,344	1,804
Change in amount due from intermediate holding company	–	–	–	–	(162)
Change in contract liabilities	13,720	9,270	(16,619)	(16,307)	(11,270)
Change in trade payables, accruals and other payables	(479)	(61)	(941)	379	251
Change in amount due to fellow subsidiaries	(109)	(762)	144	27	(174)
Cash generated from/(used in) operations	21,376	18,692	(5,538)	(8,760)	(6,392)
Income tax paid	(1,111)	(1,413)	(2,466)	(1,263)	(995)
Interest received	97	405	193	121	51
Net cash generated from/(used in) operating activities	<u>20,362</u>	<u>17,684</u>	<u>(7,811)</u>	<u>(9,902)</u>	<u>(7,336)</u>
Cash flows from investing activities					
Repayment from fellow subsidiaries	7,257	20	–	–	–
(Advance to)/repayment from the intermediate holding company	(4,000)	4,000	–	–	–
(Advance to)/repayment from immediate holding company	(12,695)	(8,000)	(800)	–	2,500
Payment for purchase of plant and equipment	(1,060)	(1,134)	(638)	(322)	(140)
Net cash (used in)/generated from investing activities	<u>(10,498)</u>	<u>(5,114)</u>	<u>(1,438)</u>	<u>(322)</u>	<u>2,360</u>

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				<i>(unaudited)</i>	
Cash flows from financing activities					
Lease interests paid	(299)	(329)	(266)	(141)	(108)
Repayment of lease liabilities	(1,493)	(1,639)	(1,762)	(853)	(885)
Net cash used in financing activities	(1,792)	(1,968)	(2,028)	(994)	(993)
Net increase/(decrease) in cash and cash equivalents	8,072	10,602	(11,277)	(11,218)	(5,969)
Cash and cash equivalents at beginning of year/period	13,734	21,806	32,408	32,408	21,131
Cash and cash equivalents at end of year/period	21,806	32,408	21,131	21,190	15,162
Analysis of cash and cash equivalents					
Bank and cash balances	21,443	32,002	20,725	20,793	14,758
Non-pledged time deposits with original maturity of three months or less when acquired	363	406	406	397	404
	<u>21,806</u>	<u>32,408</u>	<u>21,131</u>	<u>21,190</u>	<u>15,162</u>

NOTES TO FINANCIAL INFORMATION**1. GENERAL INFORMATION**

Accountancy & Business College (Ireland) Limited T/A Dublin Business School (the “**Target Company**”) is a private limited company incorporated in the Republic of Ireland with a registered number of 134010. The registered office of the Company is located at 13/14 Aungier Street, Dublin 2. The principal activities of the Target Company are the provision of educational courses in business, computing, humanities, law and social science subjects and related areas.

The Target Company and its subsidiary (together, the “**Target Group**”) are principally engaged in providing educational and student recruitment administration services at pre-university, matriculation, undergraduate and postgraduate levels.

2. BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 4 below which conform with IFRS Accounting Standards issued by the International Accounting Standards Board. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

The Target Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. 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 Target Group’s accounting policies, presentation of the Target Group’s Historical Financial Information and amounts reported for the Relevant Periods.

The Target Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Target 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.

4. MATERIAL ACCOUNTING POLICIES

The Historical Financial Information has been prepared under the historical cost convention. The Historical Financial Information is presented in Euro (“€”) which is the Target Company’s functional and presentation currency and all figures are rounded to the nearest thousand (€’000) except when otherwise indicated.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these Historical Financial Information, are disclosed in Note 5 to the Historical Financial Information.

The significant accounting policies applied in the preparation of the Historical Financial Information are set out below.

Consolidation

The Historical Financial Information includes the financial statements of the Target Company and its subsidiary made up to the Relevant Periods. Subsidiaries are entities over which the Target Group has control. The Target Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Target Group has power over an entity when the Target Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Target Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Target Group. It is deconsolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Historical Financial Information is presented in Euro ("€"), which is the Target Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Target Group entities that have a functional currency different from the Target Company's presentation currency are translated into the Target Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	10%
Furniture and fixtures	10%-20%
Electronic equipment	25%-33%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Target Group as lessee

Leases are recognised as right-of-use assets when the leased assets are available for use by the Target Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rate is as follows:

Leased properties	Over the lease terms
-------------------	----------------------

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease payments prepaid, initial direct costs and the restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

The Target Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Target Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Target Group transfers substantially all the risks and rewards of ownership of the assets; or the Target Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Target Group are classified as financial assets at amortised cost.

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

Loss allowances for expected credit losses

The Target Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Target Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“**lifetime expected credit losses**”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Target Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Target Group’s cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Target Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Target Group has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Target Group are recorded at the proceeds received, net of direct issue costs.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Target Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Target Group's performance;
- the Target Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- the Target Group's performance does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

Employee benefits***(i) Employee leave entitlements***

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Target Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Target Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Target Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Target Group can no longer withdraw the offer of those benefits and when the Target Group recognises restructuring costs and involves the payment of termination benefits.

Government grants

A government grant is recognised when there is reasonable assurance that the Target Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Target Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Target Group.

(A) A person or a close member of that person's family is related to the Target Group if that person:

- (i) has control or joint control over the Target Group;
- (ii) has significant influence over the Target Group; or
- (iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

- (B) An entity is related to the Target Group if any of the following conditions applies:
- (i) The entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group. If the Target Group is itself such a plan, the sponsoring employers are also related to the Target Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (A).
 - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to a parent of the Target Company.

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Target Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Target Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

At the end of each reporting period, the Target Group reviews the carrying amounts of its tangible assets and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Target Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Target Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Plant and equipment and depreciation

The Target Group determines the estimated useful lives, residual values and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of plant and equipment of similar nature and functions. The Target Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of plant and equipment and right-of-use assets

Plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

6. FINANCIAL RISK MANAGEMENT

The Target Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Target Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

(a) Foreign currency risk

The Target Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Target Group's entities. The Target Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Target Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The carrying amount of the cash and bank balances, trade and other receivables and amounts due from the immediate holding company, amount due from the intermediate holding company and amount due from fellow subsidiaries included in the consolidated statement of financial position represents the Target Group's maximum exposure to credit risk in relation to the Target Group's financial assets.

The Target Group has no significant concentrations of credit risk.

It has policies in place to ensure that sales are made to customers with an appropriate credit history. Amounts due from the immediate holding company, amount due from the intermediate holding company and amount due from fellow subsidiaries are closely monitored by the directors.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings.

The Target Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- external credit rating (if available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Target Group. The Target Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Target Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

(c) Liquidity risk

The Target Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Target Group's financial liabilities is as follows:

	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total undiscounted cash flows €'000
At 31 December 2023					
Trade payables, accruals and other payables	4,541	–	–	–	4,541
Amount due to fellow subsidiaries	909	–	–	–	909
Lease liabilities	1,792	1,792	4,878	30	8,492
	<u>7,242</u>	<u>1,792</u>	<u>4,878</u>	<u>30</u>	<u>13,942</u>
At 31 December 2024					
Trade payables, accruals and other payables	4,444	–	–	–	4,444
Amount due to fellow subsidiaries	147	–	–	–	147
Lease liabilities	2,027	2,027	3,824	923	8,801
	<u>6,618</u>	<u>2,027</u>	<u>3,824</u>	<u>923</u>	<u>13,392</u>
At 31 December 2025					
Trade payables, accruals and other payables	3,609	–	–	–	3,609
Amount due to fellow subsidiaries	291	–	–	–	291
Lease liabilities	2,027	2,027	2,033	686	6,773
	<u>5,927</u>	<u>2,027</u>	<u>2,033</u>	<u>686</u>	<u>10,673</u>
At 30 June 2026					
Trade payables, accruals and other payables	3,902	–	–	–	3,902
Amount due to fellow subsidiaries	117	–	–	–	117
Lease liabilities	2,027	2,027	1,136	589	5,779
	<u>6,046</u>	<u>2,027</u>	<u>1,136</u>	<u>589</u>	<u>9,798</u>

(d) Interest rate risk

During the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026, as the Target Group has no significant interest-bearing assets and liabilities, the Target Group's operating cash flows are substantially independent of changes in market interest rates.

(e) Categories of financial instruments

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Financial assets:				
Financial assets at amortised cost (including cash and cash equivalents)	<u>50,184</u>	<u>58,146</u>	<u>44,489</u>	<u>33,890</u>
Financial liabilities:				
Financial liabilities at amortised cost	<u>13,295</u>	<u>12,605</u>	<u>10,152</u>	<u>9,386</u>

(f) Fair values

The carrying amounts of the Target Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. REVENUE AND SEGMENT INFORMATION

The Target Group is mainly engaged in the operation of private higher education institutions in Ireland, offering accredited undergraduate and postgraduate programmes in business, computing, humanities, law and social sciences. The Group also operates a wholly-owned subsidiary in Malaysia, which provides student recruitment and educational administration support services. Revenue represents tuition and boarding fees from educational institutions in Ireland.

The Target Group's operating activities are attributable to a single operating segment focusing on the provision of higher education in Ireland. This operating segment has been identified on the basis of internal management reports, prepared in accordance with the relevant accounting principles and financial regulations applicable in Ireland which conform with IFRS Accounting Standards, that are regularly reviewed by the Target Group's chief operating decision maker ("CODM"), being the chief executive officer of the Target Group, for the purpose of allocating resources and assessing its performance. The CODM reviews the Target Group's profit for the year as a whole for performance assessment.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Revenue from contracts with customers:					
– Tuition fees recognised over time	39,696	44,773	44,790	23,108	17,950
– Boarding fees recognised over time	–	–	294	–	298
Total revenue	<u>39,696</u>	<u>44,773</u>	<u>45,084</u>	<u>23,108</u>	<u>18,248</u>

The Target Group primarily operates in Ireland. All of the Target Group's revenue was generated in Ireland and all of the Target Group's non-current assets are located in Ireland.

No single customer contributes 10% or more of the total revenue of the Target Group during the Relevant Periods.

Tuition 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 program. 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 Target Group expected earn within one year.

8. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Exchange (loss)/gain, net	(8)	(57)	5	2	(3)
Education services income	483	457	472	–	–
Bank interest income	97	405	193	121	51
Interest income from amount due from the immediate holding company and a fellow subsidiary	709	1,298	988	507	424
(Provision for)/reversal of loss allowance on trade receivables	(30)	(230)	58	268	(71)
Rental income	10	10	10	5	5
Others	<u>945</u>	<u>1,558</u>	<u>1,164</u>	<u>602</u>	<u>604</u>
	<u>2,206</u>	<u>3,441</u>	<u>2,890</u>	<u>1,505</u>	<u>1,010</u>

9. FINANCE COST

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Lease interests	299	329	266	141	108

10. INCOME TAX EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Current tax					
– Corporation Income Tax					
– Provision for the year/period	1,347	1,731	1,313	904	507
– Over-provision in prior years	(22)	–	(57)	–	–
Deferred taxation (note 16)	33	(9)	(47)	–	–
	1,358	1,722	1,209	904	507

Ireland Corporation Tax is calculated at 12.5% of the estimated assessable profits in respect of the Target Company in Ireland for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2026. There is no specific exemption from corporation tax on the profit from the provision of formal educational services in Ireland. The provision for Ireland Corporation Tax was calculated at the same basis during the Relevant Periods.

Malaysia Corporate Income Tax is calculated at 24% of the estimated assessable profits in respect of the Target Company's subsidiary in Malaysia for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2026. There is no specific exemption from corporate income tax on the profit from the provision of educational support services in Malaysia. The provision for Malaysia Corporate Income Tax was calculated at the same basis during the Relevant Periods.

The reconciliation between the income tax expenses and the product of profit before tax multiplied by the applicable tax rates is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Profit before tax	8,131	9,311	8,243	5,157	2,155
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdiction concerned	1,160	1,305	1,156	630	271
Tax effect of expenses not deductible/ income not taxable for tax purpose	142	193	(92)	150	119
Tax effect of temporary differences not recognised	4	59	76	40	43
Income taxed at higher rates	74	165	126	84	74
Over-provision of income tax expenses	(22)	–	(57)	–	–
Income tax expenses	1,358	1,722	1,209	904	507

11. PROFIT FOR THE YEAR/PERIOD

The Target Group's profit for the year/period is stated after charging/(crediting) the following:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	€'000	€'000	€'000	€'000	€'000
				(unaudited)	
Auditor's remuneration	48	51	66	30	32
Depreciation of plant and equipment	602	755	823	435	402
Depreciation of right-of-use assets	1,636	1,798	1,819	960	898
Provision for/(reversal of) loss allowance on trade receivables	30	230	(58)	(268)	71
Staff costs including directors' emoluments					
– Salaries, bonus and allowances	15,324	17,173	17,934	8,457	8,095
– Retirement benefits scheme contributions	1,622	1,779	1,979	940	915
	16,946	18,952	19,913	9,397	9,010

12. DIVIDENDS

During the Relevant Periods, the Target Group declared dividends and settled with amount due from the immediate holding company as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Dividends declared	8,500	7,000	4,000	–

13. PLANT AND EQUIPMENT**The Target Group and Target Company**

	Leasehold improvements	Furniture and fixtures	Electronic equipment	Total
	€'000	€'000	€'000	€'000
Cost				
At 1 January 2023	3,364	6,423	2,783	12,570
Additions	–	438	622	1,060
Written off	–	(141)	(174)	(315)
At 31 December 2023 and 1 January 2024	3,364	6,720	3,231	13,315
Additions	–	559	575	1,134
Written off	–	–	(293)	(293)
At 31 December 2024 and 1 January 2025	3,364	7,279	3,513	14,156
Additions	–	212	426	638
Written off	–	–	(168)	(168)
At 31 December 2025 and 1 January 2026	3,364	7,491	3,771	14,626
Additions	79	47	14	140
At 30 June 2026	3,443	7,538	3,785	14,766

	Leasehold improvements €'000	Furniture and fixtures €'000	Electronic equipment €'000	Total €'000
Accumulated depreciation				
At 1 January 2023	3,210	5,512	2,235	10,957
Provided for the year	29	205	368	602
Written off	—	(141)	(174)	(315)
At 31 December 2023 and 1 January 2024	3,239	5,576	2,429	11,244
Provided for the year	29	236	490	755
Written off	—	—	(293)	(293)
At 31 December 2024 and 1 January 2025	3,268	5,812	2,626	11,706
Provided for the year	29	267	527	823
Written off	—	—	(168)	(168)
At 31 December 2025 and 1 January 2026	3,297	6,079	2,985	12,361
Provided for the period	15	134	253	402
At 30 June 2026	3,312	6,213	3,238	12,763
Carrying amount				
At 31 December 2023	125	1,144	802	2,071
At 31 December 2024	96	1,467	887	2,450
At 31 December 2025	67	1,412	786	2,265
At 30 June 2026	131	1,325	547	2,003

14. RIGHT-OF-USE ASSETS

The Target Group and the Target Company

	As at 31 December		As at 30 June	
	2023 €'000	2024 €'000	2025 €'000	2026 €'000
Right-of-use assets	7,753	7,763	5,944	5,046
The maturity analysis, based on undiscounted cash flows, of the Target Group's lease liabilities is as follows:				
– Less than 1 year	1,792	2,027	2,027	2,027
– Between 1 and 2 years	1,792	2,027	2,027	2,027
– Between 2 and 5 years	4,878	3,824	2,032	1,136
– Over 5 years	30	923	687	589
	8,492	8,801	6,773	5,779

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Depreciation charge of right-of-use assets	1,636	1,798	1,819	898
Lease interests	299	329	266	108
Expenses related to short-term leases	391	336	208	–
Expenses related to variable lease payments not included in lease liabilities	32	23	–	185
Total cash outflow for leases	2,215	2,327	2,236	1,178
Additions to right-of-use assets	–	1,808	–	–

The Target Group leases various land use rights. Lease agreements are typically made for fixed periods of 9.5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

15. INVESTMENT IN A SUBSIDIARY

(a) A subsidiary of the Target Company

As at the end of each reporting period and the date of this report, the Target Company has direct interests in the following subsidiary:

Name of subsidiary	Place of incorporation	Date of incorporation	Issued and fully paid share	Percentage of attributable equity interest				Principal activities
				As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026	
DBS Services SDN. BHD.	Malaysia	12 September 2014	RM1,000,000	100%	100%	100%	100%	Providing educational and student recruitment administration services

(b) Investments in a subsidiary – the Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Investment in a subsidiary, at costs	520	520	520	520

16. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the Target Group and the Target Company.

	Accelerated capital allowances and others €'000
At 1 January 2023	112
Charge to profit or loss for the year (<i>note 10</i>)	(33)
At 31 December 2023 and 1 January 2024	79
Credit to profit or loss for the year (<i>note 10</i>)	9
At 31 December 2024 and 1 January 2025	88
Credit to profit or loss for the year (<i>note 10</i>)	47
At 31 December 2025, 1 January 2026 and 30 June 2026	135

17. TRADE AND OTHER RECEIVABLES**The Target Group**

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Trade receivables (<i>note i</i>)	4,347	4,225	4,357	1,676
Accrued income (<i>note ii</i>)	1,602	787	540	498
Other receivables	43	62	9	16
Prepayment of agent commission	2,902	3,240	2,411	2,088
Prepaid expenses	6,106	6,931	6,020	7,184
	15,000	15,245	13,337	11,462
	15,000	15,245	13,337	11,462
Analysed as:				
Current	12,539	13,277	11,644	10,031
Non-current	2,461	1,968	1,693	1,431
	15,000	15,245	13,337	11,462
	15,000	15,245	13,337	11,462

The Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Trade receivables (<i>note i</i>)	4,124	3,969	4,147	1,676
Accrued income (<i>note ii</i>)	1,588	787	540	293
Other receivables	42	60	7	6
Prepaid expenses	6,103	6,928	6,019	7,172
	<u>11,857</u>	<u>11,744</u>	<u>10,713</u>	<u>9,147</u>
Analysed as:				
Current	9,396	9,776	9,020	7,716
Non-current	2,461	1,968	1,693	1,431
	<u>11,857</u>	<u>11,744</u>	<u>10,713</u>	<u>9,147</u>

Notes:

- (i) The students are required to pay tuition and boarding fees in advance for the upcoming school years. The outstanding receivables mainly represent amounts related to the registered students who have applied for the delayed payment of tuition fees and boarding fees. The normal trade credit terms range from 5-30 days. They are recognised at their transaction date and amount, which represents their fair value on initial recognition.
- (ii) Accrued income represents revenue recognised in respect of funded contracts for services rendered to eligible students, with the related funding receivable from the Higher Education Authority in Ireland as at the reporting date.
- (iii) The Target Group applies the simplified approach under IFRS 9 to measure expected credit losses ("ECLs") for trade receivables, using a provision matrix based on historical credit loss experience and forward-looking factors. As at 31 December 2023, 2024, 2025 and 30 June 2026, the Target Group considered that no material impairment loss allowance was required.

The Target Group

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Trade receivables	4,463	4,571	4,645	2,035
Provision for loss allowance	(116)	(346)	(288)	(359)
Carrying amount	<u>4,347</u>	<u>4,225</u>	<u>4,357</u>	<u>1,676</u>

The Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Trade receivables	4,240	4,315	4,435	2,035
Provision for loss allowance	(116)	(346)	(288)	(359)
Carrying amount	<u>4,124</u>	<u>3,969</u>	<u>4,147</u>	<u>1,676</u>

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

The Target Group

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
0-180 days	4,275	4,225	4,357	701
181-365 days	63	–	–	975
Over 365 days	9	–	–	–
	<u>4,347</u>	<u>4,225</u>	<u>4,357</u>	<u>1,676</u>

The Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
0-180 days	4,052	3,969	4,147	701
181-365 days	63	–	–	975
Over 365 days	9	–	–	–
	<u>4,124</u>	<u>3,969</u>	<u>4,147</u>	<u>1,676</u>

The Target Group and the Target Company 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.

The Target Group

	0-180 days	181-365 days	Over 1 year	Total
At 31 December 2023				
Weighted average expected loss rate	1%	36%	85%	3%
Receivable amount (€'000)	4,305	99	59	4,463
Loss allowance (€'000)	30	36	50	116
At 31 December 2024				
Weighted average expected loss rate	8%	0%	0%	8%
Receivable amount (€'000)	4,571	–	–	4,571
Loss allowance (€'000)	346	–	–	346
At 31 December 2025				
Weighted average expected loss rate	6%	0%	0%	6%
Receivable amount (€'000)	4,645	–	–	4,645
Loss allowance (€'000)	288	–	–	288
At 30 June 2026				
Weighted average expected loss rate	7%	24%	0%	18%
Receivable amount (€'000)	753	1,282	–	2,035
Loss allowance (€'000)	52	307	–	359

The Target Company

	0-180 days	181-365 days	Over 1 year	Total
At 31 December 2023				
Weighted average expected loss rate	1%	36%	85%	3%
Receivable amount (€'000)	4,082	99	59	4,240
Loss allowance (€'000)	30	36	50	116
At 31 December 2024				
Weighted average expected loss rate	8%	0%	0%	8%
Receivable amount (€'000)	4,315	–	–	4,315
Loss allowance (€'000)	346	–	–	346
At 31 December 2025				
Weighted average expected loss rate	6%	0%	0%	6%
Receivable amount (€'000)	4,435	–	–	4,435
Loss allowance (€'000)	288	–	–	288
At 30 June 2026				
Weighted average expected loss rate	7%	24%	0%	18%
Receivable amount (€'000)	753	1,282	–	2,035
Loss allowance (€'000)	52	307	–	359

18. AMOUNT DUE FROM/(TO) THE IMMEDIATE HOLDING COMPANY/THE INTERMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The amount due from the immediate holding company is unsecured and repayable on demand. As at 31 December 2023, 2024, 2025, and 30 June 2026, the amount was interest-bearing at the interest rate of 12-month Euro Interbank Offered Rate plus 1.5% per annum.

As at 31 December 2023, 2024, 2025, and 30 June 2026, the amounts due from/(to) fellow subsidiaries and due from intermediate holding company are unsecured, non-interest bearing and repayable on demand.

19. CASH AND CASH EQUIVALENTS**The Target Group**

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Bank and cash balances	21,443	32,002	20,725	14,758
Non-pledged time deposits with original maturity of three months or less when acquired	363	406	406	404
	<u>21,806</u>	<u>32,408</u>	<u>21,131</u>	<u>15,162</u>

The Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Bank and cash balances	<u>1,960</u>	<u>2,118</u>	<u>3,098</u>	<u>1,791</u>

As at 31 December 2023, 2024, 2025, and 30 June 2026, short term time deposits are made for one month, and earn interest at the time deposit rates.

20. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

The Target Group

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Trade payables (<i>note i</i>)	759	623	739	804
Accrued staff benefits and payroll	1,354	1,377	1,574	777
Other payables and accruals	2,097	2,078	917	1,935
Provision for reinstatement cost	331	366	379	386
VAT payables	227	263	157	115
	<u>4,768</u>	<u>4,707</u>	<u>3,766</u>	<u>4,017</u>

The Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Trade payables (<i>note i</i>)	759	623	708	792
Accrued staff benefits and payroll	1,349	1,372	1,569	777
Other payables and accruals	1,149	925	789	1,385
Provision for reinstatement cost	331	366	379	386
VAT payables	227	263	157	115
	<u>3,815</u>	<u>3,549</u>	<u>3,602</u>	<u>3,455</u>

Note i: An ageing analysis of trade payables as at the end of the reporting period, based on the transaction date, is as follows:

The Target Group

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
0-180 days	759	538	739	792
181-365 days	—	85	—	12
	<u>759</u>	<u>623</u>	<u>739</u>	<u>804</u>

The Target Company

	As at 31 December		As at 30 June	
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
0-180 days	759	538	708	792
181-365 days	—	85	—	—
	<u>759</u>	<u>623</u>	<u>708</u>	<u>792</u>

21. CONTRACT LIABILITIES

The Target Group

	As at 1 January 2023 €'000	As at 31 December 2023 €'000	As at 31 December 2024 €'000	As at 31 December 2025 €'000	As at 30 June 2026 €'000
Contract liabilities – tuition fee	32,477	46,197	55,467	38,848	27,578
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2026	
	€'000	€'000	€'000	€'000	€'000
Revenue recognised in the year/period that was included in contract liabilities at beginning of year/period	27,315	37,978	43,649	28,311	

Transaction prices allocated to performance obligations unsatisfied at end of year/period and expected to be recognised as revenue in:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
2024	37,978	–	–	–
2025	8,129	43,649	–	–
2026	–	11,818	28,311	16,635
2027	–	–	10,537	10,943
	46,197	55,467	38,848	27,578

Significant changes in contract liabilities during the year/period:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	€'000	€'000	€'000	€'000
Increase due to operations in the year/period	53,416	54,043	28,171	6,680
Transfer of contract liabilities to revenue	(39,696)	(44,773)	(44,790)	(17,950)

A contract liability represents the Target Group's obligation to transfer services to a customer for which the Target Group has received consideration (or an amount of consideration is due) from the customer.

The Target Company

	As at 1 January 2023 €'000	As at 31 December 2023 €'000	As at 31 December 2024 €'000	As at 31 December 2025 €'000	As at 30 June 2026 €'000
Contract liabilities – tuition fee	30,293	43,294	52,151	36,370	25,500

22. LEASE LIABILITIES

The Target Group and Target Company

	Lease payment				Present value of lease payments			
	As at 31 December 2023 €'000	As at 31 December 2024 €'000	As at 31 December 2025 €'000	As at 30 June 2026 €'000	As at 31 December 2023 €'000	As at 31 December 2024 €'000	As at 31 December 2025 €'000	As at 30 June 2026 €'000
Within one year	1,792	2,027	2,027	2,027	1,547	1,758	1,827	1,861
In the second to fifth years, inclusive	6,670	5,851	4,060	3,163	6,268	5,409	3,782	2,967
After five years	30	923	686	589	30	847	643	539
	8,492	8,801	6,773	5,779				
Less: Future finance charges	(647)	(787)	(521)	(412)				
Present value of lease liabilities	7,845	8,014	6,252	5,367	7,845	8,014	6,252	5,367
Less: Amount due for settlement within 12 months (shown under current liabilities)					(1,547)	(1,758)	(1,827)	(1,861)
Amount due for settlement after 12 months					6,298	6,256	4,425	3,506

At 31 December 2023, 2024, 2025 and 30 June 2026, the average effective borrowing rate was 3.58%-4.76%. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

23. SHARE CAPITAL

	Number of shares	Amount €	Amount €'000
Issued and fully paid:			
At 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	59,000	74,915	75

24. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in note 18 to the Historical Financial Information, the Group had the following transactions with its related parties during the Relevant Periods:

	Year ended 31 December		Six months ended 30 June	
	2023 €'000	2024 €'000	2025 €'000	2026 €'000
Interest income from the immediate holding company	423	1,298	988	424
Interest income from a fellow subsidiary	286	–	–	–
	<u>709</u>	<u>1,298</u>	<u>988</u>	<u>424</u>

25. NOTES TO THE STATEMENT OF CASH FLOWS**(a) Changes in liabilities arising from financing activities**

The following table shows the Target Group's changes in liabilities arising from financing activities during the Relevant Periods:

	Lease liabilities €'000	Total liabilities from financing activities €'000
At 1 January 2023	9,338	9,338
Changes in cash flows	<u>(1,493)</u>	<u>(1,493)</u>
At 31 December 2023 and 1 January 2024	7,845	7,845
Changes in cash flows	<u>(1,639)</u>	<u>(1,639)</u>
Non-cash changes – New leases	<u>1,808</u>	<u>1,808</u>
At 31 December 2024 and 1 January 2025	8,014	8,014
Changes in cash flows	<u>(1,762)</u>	<u>(1,762)</u>
At 31 December 2025 and 1 January 2026	6,252	6,252
Changes in cash flows	<u>(885)</u>	<u>(885)</u>
At 30 June 2026	<u>5,367</u>	<u>5,367</u>

26. CONTINGENT LIABILITIES

As at 31 December 2023, 2024, 2025 and 30 June 2026, the Target Group did not have any significant contingent liabilities.

27. CAPITAL COMMITMENTS

As at 31 December 2023, 2024, 2025 and 30 June 2026, the Target Group did not have any significant capital commitments.

28. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after 30 June 2026 and up to the date of this report.

29. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Group or any of its subsidiaries in respect of any period subsequent to 30 June 2026.

*Set out below is the management discussion and analysis of the Target Company and its subsidiary (together, the “**Target Group**”) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, which is based on the financial information of the Target Group as set out in the accountant’s report in Appendix II to this circular.*

1. BUSINESS OVERVIEW

The Target Company is Accountancy & Business College (Ireland) Limited (trading as Dublin Business School), a private company limited by shares incorporated and registered in Ireland. The Target Group is principally engaged in the provision of educational and student recruitment administration services at pre-university, matriculation, undergraduate and postgraduate levels. The principal activities of the Target Group include the provision of educational courses in business, computing, humanities, law and social science subjects.

The Target Company operates Dublin Business School, one of Ireland’s largest independent third-level colleges, established in 1975. Dublin Business School is an Irish registered higher education institution whose programmes are accredited by QQI, serving approximately 9,000 students annually across a range of undergraduate and postgraduate degree programmes. The Target Company operates from multiple buildings in Dublin city centre and employs more than 400 employees. The Target Group comprises the Target Company and its wholly-owned subsidiary, DBS Services SDN BHD, incorporated in Malaysia, which provides support services to the Target Company.

2. LIQUIDITY AND FINANCIAL POSITION

As at 31 December 2023, 2024, 2025 and 30 June 2026, the total assets of the Target Group amounted to approximately €69.10 million, €78.62 million, €61.38 million and €50.95 million, respectively. As at the same dates, the total liabilities of the Target Group amounted to approximately €60.49 million, €69.43 million, €49.16 million and €37.08 million, respectively.

As at 31 December 2023, the current assets and current liabilities of the Target Group were approximately €56.73 million and €54.20 million, respectively. The current assets mainly comprised cash at bank and in hand of approximately €21.81 million and amounts due from the immediate holding company of approximately €18.37 million. The current liabilities mainly comprised contract liabilities of approximately €46.20 million. The current ratio, represented by current assets as a percentage of current liabilities, was approximately 104.7%.

As at 31 December 2024, the current assets and current liabilities of the Target Group were approximately €66.35 million and €63.17 million, respectively, with the current ratio remaining broadly stable at approximately 105.0%.

As at 31 December 2025, the current assets and current liabilities of the Target Group were approximately €51.35 million and €44.73 million, respectively. The current ratio improved to approximately 114.8%, reflecting a reduction in short-term liabilities relative to current assets.

As at 30 June 2026, the current assets and current liabilities of the Target Group were approximately €42.34 million and €33.57 million, respectively. The current ratio further improved to approximately 126.1%, demonstrating continued strengthening of the Target Group's short-term liquidity position.

3. REVENUE

The Target Group achieved revenue of approximately €39.70 million, €44.77 million and €45.08 million for the years ended 31 December 2023, 2024 and 2025, respectively. For the six months ended 30 June 2026, revenue amounted to approximately €18.25 million.

Revenue increased by approximately 12.8% from approximately €39.70 million for the year ended 31 December 2023 to approximately €44.77 million for the year ended 31 December 2024, primarily driven by growth in student enrolment and programme offerings. Revenue increased marginally by approximately 0.7% from approximately €44.77 million for the year ended 31 December 2024 to approximately €45.08 million for the year ended 31 December 2025, reflecting a period of consolidation following the preceding year's growth. For the six months ended 30 June 2026, revenue decreased by approximately 21.0% as compared to approximately €23.11 million recorded during the corresponding period in 2025, which the management attributes principally to the timing of student intake and enrolment cycles; as a result of more restrictive student visa approvals in Ireland generally affecting international student enrolment, particularly in terms of enhanced documentation verification and longer processing time, the timing of student intake was affected as a portion of expected enrolments were being deferred to subsequent intake periods, as further discussed in "Letter from the Board – Principal term of the Share Purchase Agreement - Basis of the Consideration" of this circular.

4. DIRECT COSTS

Direct costs of the Target Group were approximately €15.56 million, €18.71 million and €19.38 million for the years ended 31 December 2023, 2024 and 2025, respectively. For the six months ended 30 June 2026, direct costs amounted to approximately €7.59 million.

Direct costs increased by approximately 20.2% from the year ended 31 December 2023 to the year ended 31 December 2024, broadly in line with the increase in revenue and the expansion of programme delivery. Direct costs increased by approximately 3.6% from the year ended 31 December 2024 to the year ended 31 December 2025. For the six months ended 30 June 2026, direct costs decreased by approximately 20.0% as compared to approximately €9.49 million recorded during the corresponding period in 2025, consistent with the decrease in revenue over the same period.

5. ADMINISTRATIVE EXPENSES

Administrative expenses of the Target Group, comprising indirect staff costs and operating expenses, were approximately €17.92 million, €19.86 million and €20.08 million for the years ended 31 December 2023, 2024 and 2025, respectively.

Administrative expenses increased by approximately 10.8% from the year ended 31 December 2023 to the year ended 31 December 2024, primarily driven by higher indirect staff costs and operating expenses associated with the expansion of the Target Group's operations. Administrative expenses increased marginally by approximately 1.1% from the year ended 31 December 2024 to the year ended 31 December 2025. For the six months ended 30 June 2026, administrative expenses amounted to approximately €9.40 million, representing a decrease of approximately 4.4% as compared to approximately €9.83 million recorded during the corresponding period in 2025.

6. NET PROFIT

The Target Group recorded total comprehensive income (net profit) of approximately €6.77 million, €7.59 million and €7.03 million for the years ended 31 December 2023, 2024 and 2025, respectively. For the six months ended 30 June 2026, net profit amounted to approximately €1.65 million, representing a decline as compared to approximately €4.25 million recorded during the corresponding period in 2025, primarily attributable to the decrease in revenue during the period.

7. GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit of the Target Group, being revenue less direct costs, amounted to approximately €24.14 million, €26.06 million and €25.70 million for the years ended 31 December 2023, 2024 and 2025, respectively. For the six months ended 30 June 2026, gross profit amounted to approximately €10.66 million.

The gross profit margin of the Target Group was approximately 60.8%, 58.2% and 57.0% for the years ended 31 December 2023, 2024 and 2025, respectively. The modest compression in gross profit margin from 2023 to 2025 was primarily attributable to direct costs growing at a faster rate than revenue, reflecting the expansion of programme delivery and associated course delivery costs. For the six months ended 30 June 2026, the gross profit margin recovered to approximately 58.4%, notwithstanding the decrease in revenue during the period, as direct costs decreased broadly in proportion to the reduction in revenue.

8. FINANCE COSTS

The principal finance costs of the Target Group during the reporting periods comprised interest charges on lease liabilities recognised in accordance with IFRS 16. The lease liability repayments (comprising both principal and interest elements) amounted to approximately €1.49 million, €1.64 million and €1.76 million for the years ended 31 December 2023, 2024 and 2025, respectively, and approximately €0.89 million for the six months ended 30 June 2026. The Target Group did not have any bank borrowings or other interest-bearing debt during the reporting periods, and accordingly its finance costs were limited to the unwinding of the discount on lease liabilities.

9. INCOME TAX

The Target Group is subject to Irish corporation tax at the standard rate of 12.5% applicable to trading income. The Target Group recognised a deferred tax asset in its statement of financial position, reflecting temporary differences arising in the ordinary course of its operations. Management is of the view that the Target Group's tax position is in compliance with applicable Irish tax legislation and that no material uncertain tax positions exist as at the Latest Practicable Date.

10. GEARING AND CAPITAL STRUCTURE

The Target Group did not have any bank borrowings or external debt financing during the reporting periods. The Target Group's only interest-bearing liabilities comprised lease liabilities recognised under IFRS 16, which amounted to approximately €7.85 million, €8.01 million, €6.25 million and €5.37 million as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively.

As at 31 December 2023, the Target Group held cash at bank and in hand of approximately €21.81 million, representing a net cash position (after deducting total lease liabilities) of approximately €13.96 million. The Target Group maintained a net cash position throughout the reporting periods, reflecting its ability to generate cash from operations and its conservative approach to financial leverage. Management considers that the Target Group's capital structure to be appropriate for its current stage of development and operational requirements.

11. EMPLOYMENT AND REMUNERATION POLICIES

The Target Group places significant emphasis on the recruitment, development and retention of qualified academic and administrative personnel. Indirect staff costs amounted to approximately €9.43 million, €10.48 million and €10.92 million for the years ended 31 December 2023, 2024 and 2025, respectively, reflecting a steady year-on-year increase in personnel remuneration and related staff benefits. The remuneration policies of the Target Group are designed to be competitive and commensurate with prevailing market conditions, with a view to attracting and retaining talent necessary to support the continued development of its educational programmes.

The average number of employees of the Target Group during the relevant periods is set out in the table below:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
Average number of employees	333	369	367	372	345

12. SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS

As at 30 June 2026, the non-current assets of the Target Group comprised plant and equipment of approximately €2.00 million and right-of-use assets of approximately €5.05 million. Save as disclosed herein, the Target Group did not hold any material equity investments or interests in joint ventures during the reporting periods, and no plans for material investments or capital expenditure outside the ordinary course of business have been identified as at the Latest Practicable Date.

13. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2026, the Target Group maintained operational lease liabilities comprising current lease liabilities of approximately €1.86 million and non-current lease liabilities of approximately €3.51 million. Save as disclosed herein, the Target Group did not have any material capital commitments or contingent liabilities as at 31 December 2023, 2024, 2025 and 30 June 2026.

14. FOREIGN EXCHANGE EXPOSURE

The principal assets and liabilities of the Target Group are denominated in Euros (€), which serves as the primary functional currency of the Target Group. Accordingly, the Target Group's exposure to foreign exchange risk is considered to be limited during the reporting periods.

15. TREASURY POLICY AND HEDGING ARRANGEMENTS

The Target Group adopts a prudent treasury policy with a view to managing its liquidity and financial risks. During the period from 1 January 2023 to 30 June 2026, the Target Group did not enter into any material derivative financial instruments or hedging arrangements. Management is of the view that the Target Group's exposure to interest rate risk and foreign currency risk is not material and does not warrant the use of derivative instruments at this stage.

16. ACQUISITIONS AND DISPOSALS

Save as disclosed in this circular, the Target Group did not undertake any material acquisitions or disposals of subsidiaries or associated companies during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026.

17. CHARGES ON GROUP ASSETS

As at 31 December 2023, 2024, 2025 and 30 June 2026, and up to the Latest Practicable Date, there were no charges on the assets of the Target Group.

18. SEGMENT INFORMATION

The operating activities of the Target Group are largely attributable to a single operating segment, being the provision of educational and student recruitment administration services in Ireland. Accordingly, no separate segment analysis is presented.

**A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE
ENLARGED GROUP**

The accompanying unaudited pro forma statement of assets and liabilities of the Group (the “**Statement**”) has been prepared to illustrate the effect of the acquisition of the Target Group (the “**Acquisition**”), assuming the transaction had been completed as at 28 February 2026, might have affected the financial position of the Group.

The Statement is prepared based on the consolidated statement of financial position of the Group as at 28 February 2026 as extracted from the interim results announcement of the Group for the six months ended 28 February 2026 and the financial information of the Target Group as set out in note 2 of the Statement after making certain pro forma adjustments resulting from the Acquisition.

The Statement is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Statement, it may not give a true picture of the actual financial position of the Group that would have been attained had the Acquisition actually occurred on 28 February 2026. Furthermore, the Statement does not purport to predict the Group’s future financial position.

The Statement should be read in conjunction with the financial information of the Group as set out in Appendix I of the Circular, the financial information of the Target Group as set out in Appendix II of the Circular and other financial information included elsewhere in the Circular.

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

- (i) Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group as at 28 February 2026:

	Unaudited consolidated statement of assets and liabilities of the Group		Pro forma adjustments		Unaudited pro forma statement of assets and liabilities of the Enlarged Group	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)	RMB'000 (Note 5)	RMB'000
NON-CURRENT ASSETS						
Property, plant and equipment	3,267,071	15,263	-	-	-	3,282,334
Intangible assets	188,000	-	-	220,980	-	408,980
Right-of-use assets	767,417	38,451	-	-	-	805,868
Prepayment for cooperation agreements	800,111	-	-	-	-	800,111
Prepayments	-	10,904	-	-	-	10,904
Other non-current assets	139,254	-	-	-	-	139,254
Deferred tax assets	-	1,029	-	-	-	1,029
Goodwill	-	-	-	567,932	-	567,932
Total non-current assets	5,161,853	65,647	-	788,912	-	6,016,412
CURRENT ASSETS						
Trade and other receivables	2,114,768	76,436	-	-	-	2,191,204
Amount due from a shareholder	7	-	-	-	-	7
Amount due from the immediate holding company of the Target Company	-	124,785	(124,785)	-	-	-
Amount due from the intermediate holding company of the Target Company	-	1,234	(1,234)	-	-	-
Current tax assets	-	4,618	-	-	-	4,618
Cash and cash equivalents	451,093	115,534	125,127	(417,600)	-	274,154
Total current assets	2,565,868	322,607	(892)	(417,600)	-	2,469,983
Total assets	7,727,721	388,254	(892)	371,312	-	8,486,395

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	Unaudited consolidated statement of assets and liabilities of the Group		Pro forma adjustments		Unaudited pro forma statement of assets and liabilities of the Enlarged Group	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	
CURRENT LIABILITIES						
Trade payables, accruals and other payables	440,826	30,610	–	–	5,100	476,536
Deferred revenue	608	–	–	–	–	608
Contract liabilities	954,370	210,144	–	–	–	1,164,514
Amount due to fellow subsidiaries of the Target Company	–	892	(892)	–	–	–
Lease liabilities	718	14,181	–	–	–	14,899
Borrowings	1,091,390	–	–	–	–	1,091,390
Current tax liabilities	49,692	–	–	–	–	49,692
Total current liabilities	2,537,604	255,827	(892)	–	5,100	2,797,639
NON-CURRENT LIABILITIES						
Deferred revenue	656	–	–	–	–	656
Lease liabilities	183	26,716	–	–	–	26,899
Borrowings	146,776	–	–	449,400	–	596,176
Deferred tax liabilities	–	–	–	27,623	–	27,623
Total non-current liabilities	147,615	26,716	–	477,023	–	651,354
Total liabilities	2,685,219	282,543	(892)	477,023	5,100	3,448,993
Net assets	5,042,502	105,711	–	(105,711)	(5,100)	5,037,402

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group

- 1 The balances have been extracted, without adjustments, from the unaudited condensed consolidated statement of financial position of the Group as at 28 February 2026 as set out in the interim report of the Group for the six months ended 28 February 2026 dated 24 April 2026.
- 2 The amounts are extracted from the accountants' report of the Target Group, where the balances were extracted from the audited consolidated statement of financial position of the Target Group as at 30 June 2026.

For the purpose of preparing the unaudited pro forma consolidated statement of financial position of the Enlarged Group, the translation of EUR to RMB was made at a rate of EUR1 to RMB7.62.

	<i>EUR'000</i>	<i>RMB'000</i>
Plant and equipment	2,003	15,263
Right-of-use assets	5,046	38,451
Prepayments	1,431	10,904
Deferred tax assets	135	1,029
Trade and other receivables	10,031	76,436
Amount due from the immediate holding company	16,376	124,785
Amount due from the intermediate holding company	162	1,234
Current tax assets	606	4,618
Cash at bank and in hand	15,162	115,534
	<u>50,952</u>	<u>388,254</u>
Trade payables, accruals and other payables	(4,017)	(30,610)
Amount due to fellow subsidiaries	(117)	(892)
Contract liabilities	(27,578)	(210,144)
Lease liabilities (current portion)	(1,861)	(14,181)
Lease liabilities (non-current portion)	(3,506)	(26,716)
	<u>(37,079)</u>	<u>(282,543)</u>

- 3 The adjustment represents the settlement in cash of the amount due from the immediate holding company, intermediate holding company and amount due to fellow subsidiaries of the Target Group prior to the completion of the Acquisition.

- 4 Upon completion of the Acquisition, the Company will own 100% equity interests in the Target Company. The identifiable assets and liabilities of the Target Group will be accounted for in the consolidated financial statements of the Enlarged Group at their fair value under the acquisition method of accounting in accordance with International Financial Reporting Standard (“IFRS”) 3 “Business Combinations”.

Goodwill arising from the Acquisition of 100% equity interests in the Target Company is calculated as follows:

	<i>Note</i>	<i>RMB’000</i>
Consideration	<i>a</i>	867,000
Identifiable assets acquired and liabilities assumed	<i>b</i>	(299,068)
Goodwill arising from the Acquisition	<i>c</i>	567,932

- (a) The adjustment represents the total consideration of the Acquisition to be paid by the Company amounted to RMB867,000,000 (equivalent to approximately US\$127,500,000 at the exchange rate of US\$1.00 to RMB6.80) that will be settled by cash. The directors of the Group expect that the cash consideration will be funded by RMB417,600,000 from internal fund resources and RMB449,400,000 from long-term borrowings.
- (b) This adjustment represents the recognition of goodwill which is the excess of acquisition cost over the fair value of identifiable assets acquired, and the liabilities assumed. The balance of goodwill reflects the future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Specifically, it comprises the value of the Target Group’s assembled workforce – including its specialized academic and management personnel – as well as the value of a fully operational, regulatory-compliant educational platform underpinned by statutory QQI. Furthermore, the goodwill embodies the substantial expected benefits resulting from the business combination. The integration of the Target Group with the Company’s captive domestic network is anticipated to generate significant cross-border revenue synergies and operational scale. These future cash flows and strategic market positioning enhancements fundamentally elevate the cash-generating capacity of the Enlarged Group, though they do not meet the criteria for recognition as separate identifiable intangible assets. The fair value of identifiable assets acquired and liabilities assumed in the Target Group is determined in accordance with IFRS 3, “Business Combinations”. For the purpose of the Unaudited Pro Forma Financial Information and for illustrative purpose only, the fair value of identifiable assets and liabilities of the Target Group are assumed as follows:

	<i>RMB’000</i>
Recognised amounts of identifiable assets acquired and liabilities assumed	
Intangible assets (<i>note i</i>)	220,980
Other identifiable assets (<i>note ii</i>)	388,254
Other liabilities assumed (<i>note ii</i>)	(282,543)
Deferred tax liabilities (<i>note iii</i>)	(27,623)
	<hr/>
Total identifiable net assets	299,068
	<hr/> <hr/>

- (i) The intangible assets mainly consist of brand name of the Target Group in an amount of EUR29,000,000 (equivalent to approximately RMB220,980,000).

Identify the Brand Intangible

The brand “Dublin Business School” and associated trademarks were recognised as a separate identifiable intangible asset under IFRS 3 because they satisfy both recognition criteria:

- 1) Contractual-legal criterion – The Group owns registered word and device marks for “DBS” and “Dublin Business School” across the European Union (EUIPO), the United Kingdom (UKIPO) and Ireland. The trademarks are legally enforceable and transferable, and were the subject of a separate Transferring IP agreement under the Share Purchase Agreement; and
- 2) Separability criterion – The brand generates identifiable royalty savings if a third-party operator were required to license the marks from an independent owner. Arm’s-length trademark-licensing transactions in the tertiary-education sector are observable, demonstrating that the brand can be licensed separately from the underlying business.

Expected Useful Life of the Brand

The Directors have assessed the useful life of the DBS brand as infinite, based on the following factors:

- 1) DBS has operated continuously under the same brand for over 35 years, demonstrating long-standing brand continuity;
- 2) The brand is supported by QQI programme-accreditation status, the recently awarded “Trusted by Quality” (TrustEd Ireland) Mark, and multi-jurisdictional trademark registrations that are renewable indefinitely;
- 3) The Group’s strategic plan is to continue operating the brand for the foreseeable future with no plan to discontinue, replace or phase out the DBS name; and
- 4) There are no regulatory, contractual, legal or competitive factors limiting the useful life of the brand.

Valuing the Brand Intangible

The relief-from-royalty (“RFR”) method was adopted. It estimates the value of the brand by quantifying the royalty expense that the acquirer would have been required to pay to an independent third-party licensor, if the acquirer did not own the brand and instead needed to license the brand rights for use in the business. The fair value of the brand is calculated as the present value of the post-tax royalty savings the entity enjoys by owning the brand, projected over the asset’s expected useful life.

The resulting fair value of the brand at the valuation date was approximately EUR 29 million.

The principal assumptions used in the assessment are set out below:

(i)	Royalty rate	8.0%
(ii)	Post-tax discount rate	13.0%
(iii)	Forecast revenue growth rate (near-term)	2.0% – 10.0%
(iv)	Long-term revenue growth rate	2.0%

Royalty rate – The royalty rate is a parameter in relief from royalty method which is determined based on 8.0% of revenue.

Post-tax discount rate – The discount rate used reflects specific risks relating to the brand.

Forecast revenue growth rate (near-term) and long-term revenue growth rate – The growth rates were determined with reference to management’s revenue forecasts, historical student enrolment trends and Ireland’s projected consumer price inflation rate, as forecast by the International Monetary Fund.

- (ii) The other identifiable assets acquired and liabilities assumed are estimated based on the accounting records of the Target Group as at 30 June 2026 as stated in note 2.
 - (iii) The deferred tax liabilities relating to the pro forma fair value of intangible assets amounted to approximately RMB27,623,000 is calculated at the Ireland Corporation Tax rate of 12.5%.
- (c) For the purpose of the Unaudited Pro Forma Financial Information, the directors of the Group (“**Directors**”) have assessed whether there is any impairment in respect of the goodwill and intangible assets expected to arise from the Acquisition following the principles set out in International Accounting Standard 36 “Impairment of Assets” (“**IAS 36**”). Under IAS 36, the recoverable amount of a cash-generating unit is determined as the higher of its fair value less costs of disposal and its value in use. The directors of the Group concluded that no impairment provision is required because the recoverable amount of the Target Group cash generating unit is supported by both its recent market valuation and its projected discounted cash flows and its recoverable amount exceeds the carrying amount of the Target Group cash generating unit, which includes the newly recognized goodwill and brand intangible.

For details of the principal quantitative assumptions adopted in the goodwill impairment assessment, please refer to Note 4(b)(i) above.

In assessing the recoverable amount of the Target Group’s cash-generating unit, the Directors considered the recent deterioration in the Target Group’s financial performance, including the decline in revenue for the six months ended 30 June 2026, which was affected by volatility in international student recruitment and changes in student visa policies. These factors have been taken into account in preparing management’s financial forecasts, which reflect a more prudent assessment of international student enrolments and revenue in the near term.

The projected discounted cash flows were prepared based on management’s financial forecasts for 2026 to 2030, which assume a gradual recovery in the Target Group’s financial performance. In 2026, the Target Group is expected to focus on stabilising its operations through prudent student intake planning, cost optimisation and measures to maintain operating margins. For 2027 and 2028, management expects a gradual recovery in student enrolments and revenue, supported by the diversification of international student recruitment markets, improvements in student conversion and retention rates, expansion of online postgraduate programmes and transnational education channels, and increased contributions from professional education programmes.

The anticipated recovery is expected to be supported by improvements in the Target Group's operational efficiency through the optimisation of teaching resources, commission structures and overhead costs. The financial forecasts reflect a gradual improvement in operating margins, driven by the anticipated recovery in revenue, optimisation of the programme mix and cost control measures. For 2029 and 2030, management expects the Target Group to achieve a more diversified revenue mix, with reduced reliance on individual international student markets.

The principal assumptions underlying projected discounted cashflows model include a projected gradual revenue recovery in 2027 and 2028, supported by strategic initiatives – such as leveraging the Group's domestic student pipeline and expanding online programs. Furthermore, the cash flow forecasts assume the maintenance of stable historical gross profit margins, reflecting management's demonstrated ability to align direct instructional costs with enrolment volumes, alongside the application of a pre-tax discount rate and long-term growth rate commensurate with the specific risk profile and time value of money inherent to the Irish higher education sector.

The Group will adopt consistent accounting policies, key assumptions and valuation methodology (as used in the Unaudited Pro Forma Financial Information) to assess the impairment of the Enlarged Group's goodwill and intangible assets in the future, and communicate such basis with its external auditor and audit committee.

- 5 The adjustment represents the estimated legal and professional fees and other expenses of approximately RMB5.1 million payable by the Company in connection with the Acquisition.
- 6 Apart from the Transaction, no other adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions entered into by the Group subsequent to 28 February 2026.

**B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



ZHONGHUI ANDA CPA Limited
Certified Public Accountants

30 October 2026

The Board of Directors
China Chunlai Education Group Co., Ltd.
40/F, Dah Sing Financial Centre
248 Queen’s Road East
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of China Chunlai Education Group Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma statement of assets and liabilities as at 28 February 2026 (the “**Statement**”) as set out on pages IV-2 to IV-3 of the circular issued by the Company. The applicable criteria on the basis of which the directors have compiled the Statement are described on page IV-1 in the circular.

The Statement has been compiled by the directors to illustrate the impact of the acquisition of the entire issued share capital in Accountancy & Business College (Ireland) Limited on the Group’s financial position as at 28 February 2026 as if the transaction had been taken place at 28 February 2026. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s condensed consolidated financial statements as included in the interim report for the six months ended 28 February 2026, on which a review report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the Statement in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Statement in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Statement, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Statement.

The purpose of the Statement included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 28 February 2026 would have been as presented.

A reasonable assurance engagement to report on whether the Statement has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Statement provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Statement reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Statement has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Statement has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Statement as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Hong Kong

The following is the text of a report received from the Valuer, Colliers International (Hong Kong) Limited, for the purpose of inclusion in this circular.

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18 Harbour Road Wanchai Hong Kong
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colliers.com



Colliers International (Hong Kong) Limited
Company Licence No: C-006052

30 October 2026

The Board of Directors

China Chunlai Education Group Co., Ltd. (中國春來教育集團有限公司)

40/F Dah Sing Financial Centre

248 Queen's Road East

Wan Chai

Hong Kong

Dear Sirs/Madam,

Re: Valuation of 100% Equity Interest in Accountancy & Business College (Ireland) Limited (trading as Dublin Business School)

In accordance with our terms of engagement with China Chunlai Education Group Co., Ltd. (the “**Company**”, or the “**Client**”), Colliers International (Hong Kong) Limited (“**Colliers**” or “**we**”) provide our valuation report on the 100% equity interest in Accountancy & Business College (Ireland) Limited (trading as Dublin Business School) for transaction and public disclosure purpose.

We confirm that we have made relevant enquiries and obtained such further information as deemed necessary to allow us to provide our opinion for transaction and public disclosure purpose.

Colliers similarly undertake to keep all matters relating to this report confidential.

If you have any queries concerning the report, please feel free to contact Ms. Jazz Chow at jazz.chow@colliers.com.

Yours sincerely,

For and on behalf of

Colliers International (Hong Kong) Limited

Jazz Chow

CFA, FRM, LLB, MBA

Director/Head of Business Valuation

Valuation and Advisory Services – Asia

1. EXECUTIVE SUMMARY

Instructing Party (the Client)	China Chunlai Education Group Co., Ltd. (中國春來教育集團有限公司)
Valuation Subject	100% Equity Interest in Accountancy & Business College (Ireland) Limited (trading as Dublin Business School)
Date of Valuation	31 August 2026
Purpose	Transaction and public disclosure
Basis of Valuation	Fair Value
Valuation Approach	Market Approach
Valuation	USD172,000,000 (Rounded)

Note: The executive summary must be read in conjunction with the full valuation report, for completeness.

2. INTRODUCTION

2.1. Terms of Engagement

As agreed in our terms of engagement with China Chunlai Education Group Co., Ltd. (the “**Company**” or the “**Client**”), Colliers International (Hong Kong) Limited (“**Colliers**” or “**we**”) provide a valuation report of 100% equity interest in Accountancy & Business College (Ireland) Limited (trading as Dublin Business School) as of 31 August 2026 for transaction and public disclosure purposes.

Our report is not the only reference for the Company to make investment decisions. We understand that the Company will conduct independent consideration and assessment before making any investment decision, and will not solely rely on our report, and the report issued by us will not replace other analysis and investigation work that should be carried out by the Client in reaching commercial decision. Our report does not include specific purchase and sale recommendations.

2.2. Valuation Subject

The valuation subject is the 100% equity interest in Accountancy & Business College (Ireland) Limited (trading as Dublin Business School) (the “**Valuation Subject**” or “**Target Company**”). The Target Company holds 100% of DBS Services SDN BHD (together, the “**Target Group**”). The Valuation Subject includes the Transferring IP (being the trade marks relating to “**Dublin Business School**”), which forms an integral part of the Target Group’s business operations. According to the Sale and Purchase Agreement, upon completion of the transaction, the Transferring IP will be transferred to the Company (or its subsidiary), and accordingly the appraised value of the Valuation Subject reflects the value of the Transferring IP on a combined basis.

Accountancy & Business College (Ireland) Limited (trading as Dublin Business School (“DBS”)) is an Irish higher education institution established in 1975 and is one of the largest independent third-level colleges in Ireland. Its programmes, which are accredited by Quality and Qualifications Ireland (“QQI”), serve approximately 9,000 students each year and span a broad range of undergraduate and postgraduate disciplines, including business, law, arts, psychology and information technology. DBS also offers academic accounting programmes and tuition for professional qualifications, including those of the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Management Accountants (CIMA).

DBS delivers its programmes through full-time, part-time, evening and online modes of study. In addition, it offers regulated transnational programmes through partner institutions located in Malaysia, Germany and the Czech Republic. In October 2025, DBS was awarded the TrustEd Ireland Mark, which is intended to replace the Interim List of Eligible Programmes (ILEP) framework, allowing it to recruit non-EU/EEA international students for approved programmes that require study permissions or student visas.

DBS also operates a Malaysian subsidiary, DBS Services SDN BHD, which provides support services to the Target Company, particularly in relation to the recruitment and enrolment of students from Southeast Asia.

2.3. Background of the Transaction

The Client

The Company is a leading provider of private higher education in China. Since its establishment in 2004, it has expanded to operate six universities and colleges: Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University and Anyang University Yuanyang Campus in Henan Province; and Jiankang College and Jingzhou College in Hubei Province. The Company also participates in the operation of Tianping College and is progressing its conversion into an independent private ordinary college. The total student enrolment of the Company and its subsidiaries reached 109,952 for the school 2024/2025 school year.

The institutions under the operation by Company and its subsidiaries focus on application-oriented talent development and promote the integration of industry and education. Through school-enterprise collaboration, the Group provides practical training, supports the commercialisation of research and development outcomes, establishes industry-sponsored classes, and jointly develops academic programmes and laboratories.

The Target Group

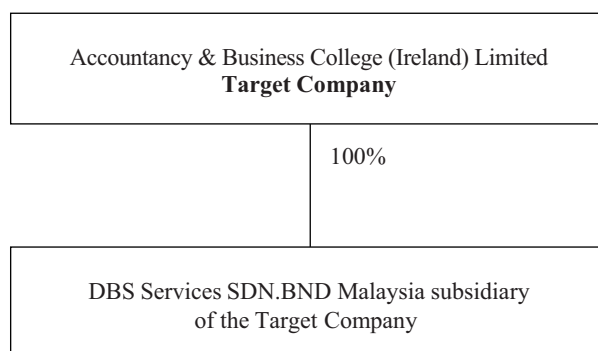
The Target Company operates Dublin Business School, one of Ireland’s largest higher education institution. Established in 1975, DBS is an Irish-registered higher education institution offering programmes accredited by QQI.

DBS serves approximately 9,000 students annually through undergraduate and postgraduate programmes in business, law, arts, psychology and information technology, as well as academic accounting courses and tuition for professional qualifications, including ACCA and CIMA. DBS operates from multiple premises in Dublin city centre and employs more than 400 staff.

Programmes are delivered on a full-time, part-time, evening and online basis. DBS also provides regulated transnational programmes through partner institutions in Malaysia, Germany and the Czech Republic.

In October 2025, DBS was awarded the TrustEd Ireland Mark, enabling it to recruit non-EU/EEA international students for approved programmes requiring study permissions or student visas. Its Malaysian subsidiary, DBS Services Sdn. Bhd., supports, in particular, student enrolment from Southeast Asia.

Please refer to the organisation chart of the Target Group below:



The Transaction

Pursuant to the announcement from the Client dated 5 August 2026, the Client and Kaplan International UK Holdings Limited (the “**Seller**”) entered into the sales and purchase agreement such that the Client has conditionally agreed to acquire and the Seller has conditionally agreed to sell the entire issued share capital of the Target Group and the trade marks relating to the “Dublin Business School” (the “**Transferring IP**”).

After the transaction, the Target Company has become a wholly-owned subsidiary of the Client. This transaction will benefit China Chunlai Education Group Co., Ltd. in terms of the Group’s overseas expansion strategy. The Target Company has a well-diversified international student base, drawing students from Ireland, Europe, Africa, Asia and the Americas. It represents a significant step to diversify the Group’s income streams geographically and to create long-term value for shareholders.

2.4. Valuation Date

The date of valuation is 31 August 2026 (the “**Valuation Date**”), and this report can only be regarded as representing our opinion of the fair value of the Valuation Subject as of that date.

2.5. Valuation Currency

Unless otherwise stated, all money amounts stated in this report are in United States Dollar (“**USD**”).

2.6. Basis of Valuation

Our valuation work is conducted based on international valuation standards. The basis of our valuation is fair value, which is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

2.7. Valuation Standards

The valuation has been carried out in accordance with the International Valuation Standards (2025 Edition) published by the International Valuation Standards Council.

2.8. The Valuers

The valuation of the Valuation Subject has been managed by Ms. Jazz Chow and supported by an experienced team of analysts who have assisted in assembling and analysing the necessary data (altogether, the “**Valuers**”).

Neither the Valuers nor Colliers are aware of any pecuniary interest or any other conflicts of interest that could affect their ability to give an unbiased and objective opinion on the market value of the Valuation Subject.

2.9. Valuation Scope

Our valuation conclusion is based on the assumptions stated herein and on information provided by the Client and/or its representatives or the Target Company.

In the course of our valuation, the following processes have been conducted to evaluate the information provided by the Client or the Target Company:

- a) Discussed with the Client and the Target Company and obtained relevant information in respect of the Target Company;

- b) Examined the relevant basis and assumptions of the information in respect of the Valuation Subject provided by the Client and/or the Target Company;
- c) Audited consolidated financial statement of the Target Company for the period ended 31 December 2025, unaudited consolidated financial statement of the Target Company for the period ended 30 June 2025 and audited consolidated financial statement of the Target Company for the period ended 30 June 2026 provided by the Target Company;
- d) Arrived at our valuation opinion based on the assumptions stated in this report and on information provided by the Client and/or the Target Company.

2.10. Inspections, Investigations and Information Sources

We confirm that we have made enquiries and obtained such information that we consider necessary to undertake the valuation. The information has been obtained from various sources including the Client, information already in the public domain and our own databases and has been verified as far as is reasonable.

In conducting our valuation of the Valuation Subject, we have considered, reviewed and relied upon the following key information which is available to the public or provided by the Client or the Target Company:

- a) Background of the Target Company and relevant corporate information provided by the Client or the Target Company;
- b) Business registration details of the Target Company provided by the Client or the Target Company;
- c) Audited consolidated financial statement of the Target Company for the period ended 31 December 2025 and unaudited consolidated financial statement of the Target Company for the period ended 30 June 2025 and 30 June 2026 provided by the Target Company;
- d) Discussions with the Client and the Target Company on the financial and other information received from by the Client or the Target Company;

No site inspections were required and performed for this valuation.

3. INDUSTRY OVERVIEW

The global higher education market is experiencing sustained growth over the past years, which is mainly driven by increasing demand for internationally recognized qualifications, growing cross-border student mobility, and greater emphasis on employability-focused programs. Private higher education institutions increasingly play an important role in providing undergraduate, postgraduate, professional, vocational, and lifelong learning programs across both developed and emerging economies.

3.1. Key Trends in the Higher Education Industry

Digitalization and Blended Learning

The higher education sector continues to undergo significant digital transformation. Institutions are increasingly integrating online and blended learning models into traditional teaching frameworks, allowing greater flexibility for students while expanding access to new geographic markets. Technology-enhanced learning platforms, virtual classrooms, and digital assessment tools have improved scalability and reduced reliance on physical campus capacity.

For business schools in particular, blended learning enables the delivery of executive education, professional certification programs, and part-time postgraduate courses to working professionals. Educational providers that successfully combine academic quality with digital learning capabilities are generally better positioned to attract both domestic and international students.

Growth of Lifelong Learning and Professional Education

Rapid technological advancement and evolving labor market requirements are increasing demand for lifelong learning. Professionals are increasingly seeking postgraduate qualifications, executive education, professional certifications, and skills-based training to remain competitive in the workforce.

Business schools are major beneficiaries of this trend, as employers continue to prioritize managerial, analytical, digital, and leadership capabilities. Demand for part-time MBA programs, professional diplomas, and executive education courses is expected to remain resilient, supported by continuous workforce upskilling requirements across multiple industries.

Internationalization of Higher Education

Higher education institutions continue to pursue internationalization strategies through overseas campuses, student exchange partnerships, dual-degree arrangements, and academic collaborations. International student enrollment has become an important revenue source for many institutions, particularly private colleges and business schools.

International student enrollment has become an important revenue source for many institutions, particularly private colleges and business schools. Within the European Union, frameworks such as Erasmus+ and other EU mobility programmes have reinforced cross-border student flows and institutional cooperation, further supporting the internationalization strategies of European institutions.

As global employers increasingly value international exposure and multicultural competencies, internationally recognized qualifications and globally connected institutions are attracting stronger student demand. Educational providers with established international networks are generally able to diversify enrollment sources and reduce dependence on individual domestic markets.

Rising Demand for Business and Management Education

Business, management, finance, data analytics, and entrepreneurship programs remain among the most sought-after areas of study globally. As economies become increasingly service-oriented and knowledge-driven, employers continue to seek graduates with commercial awareness, leadership capabilities, and analytical skills.

Business schools that maintain close relationships with employers and offer industry-relevant curricula are benefiting from sustained demand from both domestic and international students. This trend is particularly evident in major international education hubs such as Dublin, where multinational corporations create strong demand for business and professional talent.

3.2. Strategic Benefits for the acquisition

Exposure to Ireland's Growing International Student Market

Ireland has established itself as one of Europe's leading destinations for international education. The country's strong reputation for academic quality, English-language instruction, and favorable employment opportunities following graduation continues to attract students from Asia, Europe, and other international markets.

By acquiring a business school in Dublin, the Client would gain direct access to a growing international student population and benefit from Ireland's increasing attractiveness as a study destination. This diversification may also reduce reliance on domestic student enrollment in China.

Access to a Global Business and Technology Ecosystem

Dublin serves as the European headquarters for numerous multinational corporations across technology, finance, consulting, and pharmaceutical sectors. The presence of these companies creates strong demand for business-related education and provides opportunities for internships, graduate placements, industry projects, and employer partnerships.

A Dublin-based business school can leverage these relationships to enhance student employability outcomes, strengthen program attractiveness, and increase the institution's competitive positioning within the higher education market.

Diversification of Revenue Sources

The acquisition would diversify the Client's revenue streams geographically and operationally. Revenue generated from international tuition fees, executive education programs, professional training courses, and postgraduate studies would reduce dependence on the domestic Chinese education market.

Greater geographic diversification may also mitigate risks associated with regulatory changes, demographic shifts, or economic fluctuations within a single jurisdiction.

Enhancement of Brand Positioning and International Reputation

Ownership of an overseas higher education institution can significantly strengthen the Client's brand recognition and international reputation. A successful operation in Ireland would demonstrate the Client's commitment to global education standards and enhance its attractiveness to students, academic partners, and employers.

The acquisition may also facilitate future collaborations with international universities, professional bodies, and corporate partners, further reinforcing the Client's long-term strategic objective of becoming a globally integrated education group.

3.3. Potential Challenges Facing the Higher Education Industry***Regulatory Requirements***

The higher education sector remains heavily regulated. Institutions must comply with education quality standards, accreditation requirements, visa regulations, and student protection measures. Cross-border acquisitions may face additional regulatory review processes.

Student Recruitment Competition

Competition among institutions for domestic and international students continues to intensify. Universities and private colleges must invest significantly in branding, program development, and student services to maintain enrollment growth.

Demographic and Economic Factors

Changes in demographic trends, economic conditions, and employment markets may affect student enrollment patterns. Higher tuition costs and affordability concerns can also influence purchasing decisions among prospective students. Declining birth rates in certain countries may reduce the domestic student population over the long term, requiring institutions to diversify their geographic recruitment strategies.

3.4. Conclusion

Despite the mentioned obstacles, the global higher education industry is supported by favorable long-term fundamentals, including increasing participation in tertiary education, growing international student mobility, and rising demand for employability-oriented qualifications. While regulatory requirements and competitive pressures remain key challenges, institutions with strong brands, diversified student recruitment channels, and international footprints are well-positioned for sustainable growth.

Furthermore, the acquisition of a business school in Dublin presents strategic advantages beyond immediate financial returns. It offers the Client access to a well-established international education market, enhances its global academic network, diversifies revenue sources, and strengthens its capability to serve the growing demand for overseas education among Chinese students. Given Ireland's favorable position as a leading English-language education destination within the European Union, the acquisition has the potential to support the Client's long-term international expansion strategy and create sustainable value through enhanced global competitiveness.

4. VALUATION ASSUMPTIONS AND RATIONALE

Our work covers discussions with management and collecting information on the Target Company's history, business and development prospects. We also considered industry trends and relevant laws. In order to conduct a detailed review and impartially and independently evaluate, we understand the main operating conditions of the Target Company. Our valuation is based on the financial statements provided by the Target Company, and we assume the opinions and statements provided by the entrusting party and its management as well as the information provided during the valuation process are reasonable and accurate. We are not required to audit the business information provided by the management, so we have no reason to doubt the accuracy of the information. However, if the information provided is not consistent with the facts, we reserve the right to modify our valuation.

For the purpose of determining the value of the Valuation Subject, we have considered all the prominent factors affecting the value and assumed, including but not limited to, the following:

General Assumptions

The general assumptions used in the valuation analysis:

- It is assumed that during the current and future existence of the Target Company relevant laws and regulations, industry policies, fiscal and monetary policies, and economic environment will not undergo material changes;

- It is assumed that there will be no material changes in the tax policies applicable to the Target Company and its business development;
- It is assumed that there will be no material changes in the current interest rate and exchange rate;
- It is assumed that the Target Company will maintain a going concern in the future, and has sufficient operating capital;
- It is assumed that all related transactions of the Target Company (if any) comply with the principle of independent transactions;
- It is assumed that the Target Company has all the necessary licenses for its operations, all other legal and administrative licenses have been obtained and can be extended when required, any outstanding conditions will be satisfied or waived, as permitted, without materially adverse conditions;
- It is assumed that there are no non-operating assets that require an individual valuation;
- It is assumed that the key financial assumptions used in this valuation analysis are made based on the local purchasing power on the Valuation Date;
- It is assumed that the Target Company has fully complied with the prevailing national and local land planning, use, possession, environment and other relevant laws and regulations. It is assumed that all improvements made by the Target Company to all related assets are in compliance with all relevant legal provisions and other laws, planning or engineering regulations of the relevant superior authority;
- It is assumed material leases remain valid and enforceable and that no undisclosed breach, termination right or material rental adjustment affects;
- It is assumed that the Target Company has no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantive commitments, and no pending litigation or threats to have a significant impact on the shareholders' equity value of the Target Company;
- It is assumed that the Target Company are responsible for fulfilling the obligations of the asset owner and competently implementing effective management of the relevant assets;
- In addition to the information provided by the Target Company, it is assumed that there is no other important information that affects the valuation of the Target Company;

- It is assumed that the information provided by the Target Company are reliable, and no on-site inspection has been performed;
- It is assumed that the Target Company has not been charged in any litigation;
- It is assumed that the Target Company does not have any compensation arising from litigation activities; and
- It is assumed that if the Target Company has any unrecorded litigation compensation, we will have the right to modify our valuation.

Specific Assumptions

The specific assumptions used in the valuation analysis:

- The trailing EBITDA for the twelve months ended 30 June 2026 was derived from the historical financial information of the Target Group. Specifically, the trailing EBITDA for the twelve months ended 30 June 2026 was calculated by deducting the EBITDA for the six months ended 30 June 2025 from the EBITDA for the year ended 31 December 2025 and adding the EBITDA for the six months ended 30 June 2026. Based on the above calculation, the trailing EBITDA of the Target Group for the twelve months ended 30 June 2026 amounted to approximately EUR6,994,000. After taking into account management adjustments of approximately EUR471,000, the adjusted trailing EBITDA adopted for the valuation amounted to approximately EUR7,465,000. The management adjustments principally comprised employee termination settlement costs of approximately EUR465,000 and one-off marketing expenses relating to the Target Group's online marketing activities of approximately EUR6,000 incurred during the twelve months ended 30 June 2026.

The details and basis of each adjustment are set out below.

- o *One-off online marketing expenses:* The one-off marketing expenses of approximately EUR6,000 represented costs incurred in connection with DBS Online during the twelve months ended 30 June 2026. Management considered these expenses to be non-recurring in nature as they related to a specific online marketing initiative rather than the Target Group's regular marketing activities. Accordingly, these expenses were excluded in determining the adjusted EBITDA adopted for the valuation.

- o *Employee termination settlement expenses:* The employee termination settlement costs of approximately EUR465,000 represented redundancy payments, ex-gratia payments and payments in lieu of notice (“**PILON**”), comprising the relevant gross payments to employees and associated employer’s Pay Related Social Insurance (“**PRSI**”) contributions. These costs arose from specific employee termination arrangements during the twelve months ended 30 June 2026. Management considered these costs to be non-recurring in nature as they related to specific employee terminations rather than the Target Group’s normal recurring payroll expenses. Accordingly, these costs were excluded in determining the adjusted EBITDA adopted for the valuation.

A reconciliation from the Target Group’s reported results to the adjusted trailing EBITDA adopted for the valuation is set out in the table below:

	<i>EUR’000</i>
Profit for the year ended 31 December 2025	7,034
Less: Profit for the six months ended 30 June 2025	(4,253)
Add: Profit for the six months ended 30 June 2026	1,648
Profit for the period from 1 July 2025 to 30 June 2026	<u>4,429</u>
Add: Income tax expenses	813
Interest expenses	233
Depreciation	790
Amortisation	<u>1,757</u>
Less: Interest income	<u>(1,028)</u>
Trailing EBITDA for the twelve months ended 30 June 2026	<u>6,994</u>
Add: Management adjustments	<u>471</u>
Adjusted trailing EBITDA adopted for the valuation	<u><u>7,465</u></u>

- It is assumed that there is no agreed leakage deduction and bonus deduction prior to the completion, should any material discrepancies or changes be identified, we reserve the right to revise our valuation accordingly.

- It is assumed that the EBITDA is calculated based on the audited EBITDA for the twelve-month period ended 31 December 2025, less the EBITDA for the six-month period ended 30 June 2025 derived from the unaudited financial statements, plus the EBITDA for the six-month period ended 30 June 2026 derived from the unaudited financial statements.
- We have relied on the unaudited financial statements for the six-month periods from 1 January 2025 to 30 June 2025 and from 1 January 2026 to 30 June 2026, as well as the audited financial statements for the twelve-month period from 1 January 2025 to 31 December 2025. It is assumed that the information provided by the client is accurate and complete. Should any material discrepancies or changes be identified, we reserve the right to revise our valuation accordingly.

5. VALUATION APPROACH

According to the International Valuation Standards (2024), relevant and appropriate valuation approaches must take into account consideration in selecting the most appropriate valuation approach. There are three commonly used valuation methods, namely, the market approach, the income approach and the asset-based approach.

Market Approach

Market Approach derives the value of an asset by benchmarking the similar asset's prevalent market price, which is estimated based on Guideline Public Company Method and/or Comparable Transactions Method with additional adjustments if necessary.

Guideline Public Company Method – The Guideline Public Company Method means obtaining the operating and financial information of comparable listed companies that are similar to those of the Target Company, calculating an appropriate value ratio, and accessing the fair value of the Target Company. Valuation indicators widely used in corporate valuation include price-earnings (P/E) ratio, price-to-book (P/B) ratio and price-to-sales (P/S) ratio.

Guideline Transaction Method – Under the Guideline Transaction Method, the fair value is derived from the acquisition multiple which is based on what other purchasers in the market have paid for companies that are considered reasonably similar to the Target Company.

Although this approach is widely used in valuation practice, the shortfalls of the approach are, first, there might be insufficient comparable transactions or public companies to choose from; and second, the available comparable transactions and public companies might be significantly different from the Valuation Subject in areas that might affect a company's valuation.

Income Approach

Income Approach values an asset based on the income that it is expected to generate in the future. The most commonly applied method is the Discounted Cash Flow method which derives the value of the target by discounting expected future cash flows with a discount rate that reflects both the time value of money and the riskiness of the asset. Income approach is a commonly adopted approach in business valuation when the underlying asset or entity is producing predictable cash flows.

Asset-based Approach

The application of the asset-based approach begins with a company's financial statements. Necessary and appropriate adjustments are made to book values to reflect the fair value of the company.

The asset-based approach measures the value of the business entity by making reference to the value of individual assets and liabilities. Adjustments are made to the balance sheet based on the differences between the fair value and book value of the assets and liabilities. The net asset value from the adjusted balance sheet represents the fair value of the business entity.

6. VALUATION PROCESS**6.1. Selection of Valuation Methodology*****Asset-based Approach***

Since the Target Company's value depends more on its future profitability, only valuation on the fair value of its assets and liabilities is not able to reflect the future profitability of the Target Company. Accordingly, the asset-based approach was not adopted.

Income Approach

Under the income approach, we have limited access to the financial projections of the Target Company. Therefore, the income approach was not adopted to determine the fair value of the Target Company.

Market Approach

The Target Company has engaged in educational services and career-oriented programmes. According to our research, there are sufficient numbers of publicly traded companies (referred to as the “**Comparable Companies**”) with similar business operations to the Target Company. It is appropriate to use the Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization ratio (the “**EV/EBITDA ratio**”). Since there are sufficient comparable companies to assess the fair value of the Target Company, we have adopted the market approach in this assessment.

Guideline Public Company Method was selected as we have identified a set of suitable Comparable Companies with similar business models. Details of the Comparable Companies’ financial information are publicly available.

Guideline Transaction Method was not selected as it is difficult to identify transactions where the acquisition targets are comparable to the valuation target. In addition, details of acquisition transactions are usually not publicly available information.

It should be noted, however, that while sector-level transaction activity is observable, transaction-specific financial details are generally not publicly available, and acquisition targets directly comparable to the Target Company are limited. Accordingly, the Guideline Transaction Method was not adopted in this valuation

In light of the above, we have adopted the Market Approach during this valuation, which the market approach – the Guideline Public Company Method was used for the valuation of the Target Company.

6.2. Valuation of the Target Company***6.2.1. Selection of Comparable Companies***

The Target Company is a private higher education institution in Ireland focused primarily on career-oriented higher education through undergraduate, postgraduate, professional and executive education programmes. It operates a hybrid delivery model comprising both campus-based and online learning and derives its revenue principally from the education services for the financial period ended 30 June 2026. Our procedure of selecting Comparable Companies are as follows:

- The comparable companies operate in a business that is similar to that of the Target Company, namely the provision of higher education services and/or the operation of universities;
- The companies are actively traded in the market;

- Positive EBITDA;
- Geographical regions similar to that of the Target Company, as we requires a minimum of five comparable companies, if not, we will extend the geographical criteria to different regions

The companies that are not adopted based on the following reasons:

1. Although a number of listed Chinese higher education operators were found, these companies were excluded from the comparable company universe as they operate under a substantially different regulatory and commercial environment. Their earnings and valuation multiples are significantly influenced by PRC-specific factors, including tuition fee regulation, enrolment quotas, school sponsorship structures, domestic demographic trends and government education policies. In addition, their business models, revenue composition, growth drivers, profitability characteristics and overall risk profiles differ materially from those of the Subject Company and the selected overseas higher education peers. Accordingly, the inclusion of such companies could potentially distort the trading multiple analysis and reduce the reliability and relevance of the valuation conclusions.
2. companies with negative EBITDA and close to break even EBITDA are excluded;
 - Malvern International PLC (MLVN LN)) – 0.11x
 - Top Education Group Ltd (1752 HK) – 0.06x
 - NIIT Limited (NIITLTD.NSE) – Negative EBITDA
 - Coursera Inc (COUR.NYSE) – Negative EBITDA

Hence, the final 5 comparable companies we have adopted as they all have the following characteristics in their business model:

- Primary business involves provision of higher education, vocational degree education or post-secondary education;
- Revenue substantially generated from education services (generally above 50% based on latest published annual reports);
- Provision of diploma, degree, postgraduate or professional certification programmes;

As set out below, the remaining five publicly listed Comparable Companies with similar business operations to the Target Company have been selected for the derivation of the average market price multiple.

Comparables Companies Description

Bloomberg Ticker	Comparable Company Name	Company Description	Principal jurisdiction of operation	Delivery Mode	Revenue from Higher Education
LAUR US	Laureate Education Inc	Laureate Education, Inc. provides educational services. The University offers undergraduate and doctoral degrees in business and management, medical and health sciences, engineering, information technology, architecture, education, law, communications, and hospitality management. Laureate Education operates worldwide.	Peru and Mexico	Campus-based, online and hybrid	90.1%
LOPE US	Grand Canyon Education Inc	Grand Canyon Education, Inc. provides online post secondary education services. The Company offers graduate and undergraduate degree programs in disciplines of education, business, and healthcare.	United States	Campus-based, online and hybrid	100%
LINC US	Lincoln Educational Services Corp	Lincoln Educational Services Corporation provides career-oriented post-secondary education. The Company offers recent high school graduates and working adults degree and diploma programs at its campuses in automotive technology, health sciences, skilled trades, business and information technology and spa and culinary.	United States	Campus-based and online	100%
SYS MK	SEG International BHD	SEG International Bhd. is an investment holding company. The Company through its subsidiaries, provides professional, commercial, and academic educational services. SEG International also offers management consultancy, property management, rental of premises, and business advisory solutions.	Malaysia	Campus-based and online	98.8%
NXD AU	NextEd Group Ltd	NextEd Group Limited provides educational solutions. The Company delivers industry relevant courses and programs, as well as offers work placement and internship. NextEd Group serves students worldwide.	Australia	Campus-based and online	94.4%

Valuation Multiples

The EV/EBITDA ratio was adopted as the valuation metric to derive the equity value of the Target Company. EV/EBITDA ratio is a commonly adopted valuation metric. The EV/EBITDA ratio of the Comparable Companies* are calculated as follows:

EV/EBITDA ratio = Enterprise value ÷ Earnings before interest, taxes, depreciation, and amortization for the trailing 12 months

* It is based on the latest published financial information of each Comparable Companies (information from Bloomberg terminal and information from stock exchange websites).

The EV/EBITDA multiples of the Comparable Companies as at the Valuation Date are listed below:

Comparable Company Name	Bloomberg Ticker	EV/EBITDA Multiple
Laureate Education Inc	LAUR US	10.77
Grand Canyon Education Inc	LOPE US	11.48
Lincoln Educational Services Corp	LINC US	12.84
SEG International BHD	SYS MK	15.59
NextEd Group Ltd	NXD AU	17.92
	Average	<u>13.72</u>

The multiple of 13.72 corresponds to the arithmetic average of the selected peer group and falls comfortably within the observed valuation range after removal of identified outliers of 0.11 (Malvern International PLC (MLVN.LN)) and 0.06 (Top Education Group Ltd (1752.HK)). The use of the average reflects our view that the Target Group possesses operating characteristics broadly consistent with the central tendency of the selected peer group rather than exhibiting attributes warranting selection at either the upper or lower end of the valuation range.

Furthermore, the standard deviation of the selected multiples is 2.98. The adopted average multiple of 13.72 falls within 1.5 standard deviations of the observed range of 10.77 to 17.92 and is therefore considered a reasonable multiple for valuation purposes.

The selected comparable companies operate degree-granting or post-secondary educational institutions and derive substantially all of their revenues from educational services. While differences exist in scale, geography and programme mix, such differences are common in market-based valuation exercises and do not outweigh the significant similarities in business model, revenue drivers and operating characteristics.

In our valuation, the average EV/EBITDA ratio of 13.72 is directly adopted, which is determined with reference to those of the Comparable Companies.

Valuation Inputs

Key input in the market approach, specifically using the EV/EBITDA ratio, is the earnings before interest, taxes, depreciation, and amortization of the Target Company. We have adopted the trailing 12 months earnings before interest, taxes, depreciation and amortisation as of 30 June 2026 from the unaudited consolidated financial statements for the 12 months period ended 30 June 2026, which is provided by the Target Company.

6.2.2. Discount for Lack of Marketability

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount (“**DLOM**”) reflects the fact that there is no ready market for shares in privately held companies and thus are typically not readily marketable compared to similar interests in public companies. Therefore, a share in a privately held company is usually discounted compared to an otherwise comparable share in a publicly held company.

We use Black Scholes put option model and treat the lack of marketability as equivalent to lacking a put option that guarantees liquidity, with the following input: (1) the comparable companies volatility; and (2) Ireland risk-free rate. In this valuation, we are of the view that applying 15.08% DLOM for the Target Company.

6.2.3. Control Premium

The controlling interest in a company can be a distinct advantage as controlling shareholders can make discretionary decisions on behalf of shareholders. Therefore, the controlling interest value in a company is usually higher than the minority interest, as minority shareholders have little influence in key decisions and are subject to risk and decisions that might not be beneficial to them.

For the purposes of this valuation, we have referred to the Control Premium Study Quarterly, which indicates that the latest control premium for the Services and Other industry sector is 29.1%. Based on this guidance and our assessment of the Target Company, we are of the view that a 30% control premium is appropriate for the Target Company.

6.2.4. Valuation of the Target Company

Given the EV/EBITDA ratio of 13.72, a 15.08% DLOM, and a 30% control premium, we can calculate the valuation of the Target Company using the following formula:

$$V = (\text{EBITDA} * \text{EVEBITDA} + C + \text{ACP}) * (1 + \text{CP}) * (1 - \text{DLOM}) * \text{FX}$$

Where:

V	=	Valuation of the Target Company
EBITDA	=	EBITDA for the period between 30 June 2025 and 30 June 2026 for Target Company
EVEBITDA	=	Average EV/EBITDA ratio
C	=	Cash and cash equivalent
ACP	=	Adjustment in cash position ¹
CP	=	Control premium
DLOM	=	Discount for lack of marketability
FX	=	Exchange rate of EUR to USD (I.e. USD1.162 per EUR)

Note 1

According to the Sale and Purchase Agreement, these items, including the amounts due from the immediate holding company, the intermediate holding company, and fellow subsidiaries, as well as the amounts due to fellow subsidiaries, will be paid off plus increase the cash balance upon completion.

The table below shows the valuation of Target Company

Market Approach – EV/EBITDA Method		31 August 2026
Trailing 12-month EBITDA of the Target Company	EUR	7,465,086
Average EV/EBITDA		<u>13.72</u>
Enterprise Value of DBS	EUR	102,420,980
Add: Cash and Cash Equivalent		15,162,000 ^{1,2}
Adjustment in Cash Position:		
Add: Amount due from the immediate holding company		16,376,000
Add: Amount due from the intermediate holding company		162,000
Less: Amount due to fellow subsidiaries		<u>117,000</u>

Market Approach – EV/EBITDA Method**31 August 2026**

Result (Before DLOM and Control Premium)	EUR	134,003,980
Control Premium		30%
DLOM		15.08%
Equity Interest in the Target Company (After Adjustments)		EUR 147,939,096
	USD	171,905,230
Result (ROUNDED)		172,000,000

The enterprise value of DBS before any discount and adjustment is EUR 102,420,980, which is approximately USD 119,000,000.

Note 1

The valuation was performed using the market approach based on EV/EBITDA multiples derived from publicly traded comparable companies to get the enterprise value of the Target Group. As the contemplated transaction under the SPA involves the acquisition of the Sale Shares, representing the equity interests of the Target Group, it is necessary to convert Enterprise Value into Equity Value attributable to shareholders. Accordingly, the following adjustment formula was applied:

$$\text{Equity value} = \text{Enterprise Value} + \text{Cash and cash equivalents} - \text{Total Interest-bearing Debt} + \text{Adjustment in cash position}$$

Note 2

Treatment of the adjustment items:

- 1) Cash and cash equivalent: In compliance with the formula, all cash and cash equivalents (near cash) are included in the adjustment, not just the idle or surplus cash. Also, we need to maintain consistency with the market calculation of enterprise values for the selected comparable companies, whose published enterprise values are generally calculated by deducting total reported cash and cash equivalents rather than surplus cash only;
- 2) Total debt: total debt is adjusted according to the above formula, which only accounts for traditional interest-bearing financing obligations rather than general liabilities;
- 3) Lease liabilities: Lease liabilities arise primarily from accounting recognition requirements under IFRS 16 and do not constitute traditional financing obligations in the same manner as bank borrowings, loans or other interest-bearing debt, therefore no deduction was made for lease liabilities; and
- 4) Contract Liabilities and Other Working Capital Obligations: These items represent normal operating working capital balances arising in the ordinary course of business and do not constitute financing obligations. The EV/EBITDA multiples observed from the comparable companies implicitly reflect their respective operating assets and operating liabilities. Accordingly, a further adjustment for such liabilities would potentially result in double counting and reduce comparability between the Target Group and the selected peer group. Therefore, no deduction was made for these obligations.

7. VALUATION CONCLUSION

The valuation has been conducted based on generally accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, which not all of which can be easily quantified or ascertained. While the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the entrusting party or Colliers.

In accordance with the purpose and scope of our engagement set out, the fair value of the 100% equity interest in the Target Company as of the Valuation Date is **USD172,000,000 (UNITED STATES DOLLAR ONE HUNDRED AND SEVENTY-TWO MILLION ONLY)**.

We hereby certify that we have no prospective interests in neither the Company nor the Valuation Subject.

For and on behalf of

Colliers International (Hong Kong) Limited

Jazz Chow

CFA, FRM, LLB, MBA

Director/Head of Business Valuation

Valuation and Advisory Services – Asia

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of Appendix C3 to the Listing Rules (the “**Model Code**”) were as follows:

Directors’ long positions in the Shares and underlying Shares

Name of Director	Capacity/Nature of Interest	Relevant Company	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding in the Company ⁽²⁾
Mr. Hou Junyu (侯俊宇)	Interest in a controlled corporation	Chunlai Investment Co., Ltd ⁽³⁾	900,000,000(L)	75%
	Beneficial owner ⁽⁵⁾	N/A	6,000,000(L)	0.50%
Mr. Hou Chunlai (侯春來)	Beneficial owner ⁽⁵⁾	N/A	8,000,000(L)	0.67%
	Interest of spouse ⁽⁴⁾	N/A	8,000,000(L)	0.67%
Ms. Jiang Shuqin (蔣淑琴)	Beneficial owner ⁽⁵⁾	N/A	8,000,000(L)	0.67%
	Interest of spouse ⁽⁴⁾	N/A	8,000,000(L)	0.67%

Directors' long positions in associated corporations

Name of Director	Capacity/Nature of Interest	Name of associated corporation	Amount of issued share capital/ registered capital/ sponsor capital in the associated corporation	Percentage of holding in the associated corporation
Mr. Hou Junyu (侯俊宇)	Beneficial owner	Chunlai Investment Co., Ltd. ⁽³⁾	US\$1	100%
	Beneficial owner	Henan Chunlai Education Technology Co., Ltd. (河南春來教育科技有限公司)	RMB30,000,000	100%
	Beneficial owner ⁽⁶⁾	Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團)	RMB113,740,000	100%
Mr. Hou Chunlai (侯春來)	Beneficial owner ⁽⁶⁾ and interest of spouse ⁽⁴⁾	Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團)	RMB33,780,000	29.7%
Ms. Jiang Shuqin (蔣淑琴)	Beneficial owner ⁽⁶⁾ and interest of spouse ⁽⁴⁾	Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團)	RMB33,780,000	29.7%

Notes:

- (1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) The calculation is based on the total number of 1,200,000,000 Shares in issue as at the Latest Practicable Date.
- (3) Chunlai Investment Co., Ltd. is the direct shareholder in the Company holding 900,000,000 Shares, which in turn is wholly-owned by Mr. Hou Junyu (侯俊宇). Thus, Mr. Hou Junyu is deemed to be interested in the Shares in which Chunlai Investment Co., Ltd. holds by virtue of the SFO.
- (4) As Mr. Hou Chunlai (侯春來) and Ms. Jiang Shuqin (蔣淑琴) are spouses, each of them is deemed to be interested in the interest held by them by virtue of the SFO.
- (5) Such interest refers to share options granted to the Director under the pre-IPO share option scheme adopted by the Company on 9 August 2018.
- (6) The sponsor interest of Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團) is held as to 69.3% by Mr. Hou Junyu (侯俊宇) (RMB78,820,000), as to 19.8% by Mr. Hou Chunlai (侯春來) (RMB22,520,000), as to 9.9% by Ms. Jiang Shuqin (蔣淑琴) (RMB11,260,000) and as to 1% by Henan Chunlai Education Technology Co., Ltd. (河南春來教育科技有限公司) (RMB1,140,000). Mr. Hou Junyu, Mr. Hou Chunlai and Ms. Jiang Shuqin agreed that Mr. Hou Junyu would effectively own the sponsor interests of Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團) held by Mr. Hou Chunlai and Ms. Jiang Shuqin.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed in this circular, no Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long positions in the Shares or underlying Shares

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽²⁾
Chunlai Investment Co., Ltd. ⁽³⁾	Beneficial owner	900,000,000(L)	75%

Notes:

- (1) The letter “L” denotes the person’s long position (as defined under Part XV of the SFO) in the Shares.
- (2) The percentages are calculated on the basis of 1,200,000,000 Shares in issue as at the Latest Practicable Date.
- (3) Chunlai Investment Co., Ltd. is the direct shareholder in the Company holding 900,000,000 Shares, which in turn is wholly-owned by Mr. Hou Junyu (侯俊宇). Thus, Mr. Hou Junyu is deemed to be interested in the Shares in which Chunlai Investment Co., Ltd. holds by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors is materially interested in any contract or arrangement subsisting as at the date of this circular which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 August 2025 (being the date to which the latest published audited accounts of the Group were made up).

7. MATERIAL CONTRACTS

Save as disclosed in this circular, no member of the Group has entered into any contract (not being a contract entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular, which is or may be material.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, as far as the Directors were aware, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

9. EXPERTS' QUALIFICATIONS AND CONSENT

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountants
Colliers International (Hong Kong) Limited	Independent Professional Valuer

Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report and/or valuation (as appropriate) and the references to its name included herein in the form and context in which they are included.

Each of the experts has confirmed that, as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 August 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. GENERAL

- (a) The registered office of the Company is situated at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The head office of the Company is No. 66, Beihai East Road, Shangqiu City, Henan Province, the PRC and the principal place of business of the Company in Hong Kong is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Ms. Yu Anne (余安妮). Ms. Yu is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (c) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.chunlaiedu.com>) for a period of 14 days from the date of this circular:

- (a) the Share Purchase Agreement;
- (b) the accountant's report on the Target Group from ZHONGHUI ANDA CPA Limited, the text of which is set out in Appendix II to this circular;
- (c) the report on the unaudited pro forma financial information of the Enlarged Group upon completion of the Acquisition from ZHONGHUI ANDA CPA Limited, the text of which is set out in Appendix IV to this circular;
- (d) the valuation report on the Target Group from Colliers International (Hong Kong) Limited, the text of which is set out in Appendix V to this circular;
- (e) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this Appendix; and
- (f) this circular.