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China Science and Education Industry Group Limited
中國科教產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1756)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED AUGUST 31, 2026

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended August 31, 2026, together with comparative figures for the corresponding period in 2025.

HIGHLIGHTS

	As at August 31, 2026	As at August 31, 2025	Change	Percentage change
Number of Schools	**3**	3	–	–
Student enrollments	**59,238**	55,667	3,571	6.4%

	Year ended August 31, 2026 *(RMB'000)*	Year ended August 31, 2025 *(RMB'000)*	Change *(RMB'000)*	Percentage change
Revenue	**1,535,474**	1,445,442	90,032	6.2%
Gross Profit	**587,753**	722,619	(134,866)	(18.7%)
(Loss)/Profit for the year	**(344,653)**	458,293	(802,946)	(175.2%)
Adjusted net profit [(1)]	**231,572**	459,323	(227,751)	(49.6%)
(Loss)/Earnings per share (RMB)	**(0.287)**	0.382	(0.7)	(175.2%)
Gross profit ratio	**38.3%**	50.0%	(11.7)	
Operating profit ratio	**12.1%**	39.1%	(27.0)	
Net (loss)/profit ratio	**(22.5%)**	31.7%	(54.2)	
Adjusted Net Profit ratio [(2)]	**15.1%**	31.8%	(16.7)	

Notes:

(1) Adjusted net profit is a non-HKFRSs financial measure, which is derived from the loss/profit for the year after adjusting net fair value changes on investment properties, imputed interest expenses on discount of long-term other borrowings and long-term interest payable due to a related party, imputed interest expenses on discount of long-term other borrowings due to the controlling shareholder of the Company, net exchange losses, adjustments for current and deferred income tax of prior periods due to changes in facts and circumstances and tax late payment surcharge.

(2) Adjusted net profit ratio under non-HKFRS financial measures for the year is calculated on adjusted net profit under non-HKFRS financial measures for the year, which includes the tax provision as a non-recurring adjustment, divided by revenue for the respective year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue mainly represented income derived from tuition fees and boarding fees for the education services provided in the ordinary course at its PRC operating schools. For the year ended August 31, 2026, the Group's revenue was approximately RMB1,535.5 million, representing an increase of approximately 6.2% year-on-year from approximately RMB1,445.4 million for the corresponding period of last year, which was attributable to the increases in both the number of student enrollments and average tuition fees during the year ended August 31, 2026 ("**Reporting Period**").

Cost of Sales

Cost of sales represented primarily staff costs, depreciation and amortization, property management and maintenance fees, school consumables, utilities expenses and others. For the year ended August 31, 2026, the Group's cost of sales amounted to approximately RMB947.7 million, increased by approximately 31.1% year-on-year from approximately RMB722.8 million for the year ended August 31, 2025. The increase in the cost of sales was mainly due to the Group's continued advancement of the development of application oriented universities and the implementation of relevant policy requirements, which resulted in higher daily teaching and operational expenditures.

Gross Profit and Gross Profit Margin

For the year ended August 31, 2026, the Group recorded a gross profit of approximately RMB587.8 million, representing a decrease of approximately 18.7% year-on-year from approximately RMB722.6 million for the year ended August 31, 2025. For the year ended August 31, 2026, the Group achieved a gross profit margin of 38.3%, representing a decrease of 11.7% year-on-year as compared with the corresponding period of last year. The reduction in gross profit was mainly attributable to the increase in cost of sales, while partially offset by the increase as to the number of student enrollments and average tuition fees for the year ended August 31, 2026.

Selling Expenses

Selling expenses, primarily consisting of marketing staff costs, promotion expenses and other expenses, increased by approximately 18.8% from approximately RMB45.7 million for the year ended August 31, 2025 to approximately RMB54.3 million for the year ended August 31, 2026, which was primarily due to an increase in marketing expenses for the 2025/2026 academic year.

Administrative Expenses

Administrative expenses primarily consist of administrative staff costs, office expenses, traveling and entertainment expenses, depreciation of property, plant and equipment relating to office buildings and right-of-use assets, utilities expenses, auditors' remuneration and other miscellaneous expenses. Administrative expenses increased by approximately 3.2%, from RMB181.9 million for the year ended August 31, 2025 to approximately RMB187.7 million for the year ended August 31, 2026.

Other (Expenses)/Income – Net

Other (expenses)/income – net primarily consists of tax late payment surcharges, rental income, site use and relevant service income, catering and relevant service income and others. For the year ended August 31, 2026, the Group recorded other expenses of approximately RMB125.2 million, representing change of approximately 313.9% year-on-year from other income amounting to approximately RMB58.6 million for the year ended August 31, 2025.

Other (Losses)/Gains – Net

Other (losses)/gains – net primarily consist of losses on disposals of property, plant and equipment, fair value losses on investment properties and others. For the year ended August 31, 2026, the Group's other losses amounted to approximately RMB6.5 million, representing a decrease of approximately RMB18.2 million year-on-year compared with approximately RMB11.7 million gains for the year ended August 31, 2025.

Finance Expenses – Net

The Group's finance expenses – net include interest expenses on bank and other borrowings (after deducting amounts capitalized in the cost of property, plant and equipment), imputed interest expenses on discount of long-term other borrowings and long-term interest payables due to a related party, interest income generated from bank deposits and others. For the year ended August 31, 2026, the Group recorded finance expenses of approximately RMB58.8 million, representing a decrease of approximately 15.4% year-on-year as compared with approximately RMB69.4 million for the year ended August 31, 2025, which was mainly attributable to the decrease in the related party imputed interest and partially offset by the increase of imputed interest owed to the controlling shareholder during the year ended August 31, 2026. For the year ended August 31, 2026, the Group recorded finance income of approximately RMB0.3 million, representing a decrease of approximately 73.0% year-on-year as compared with approximately RMB1.0 million for the year ended August 31, 2025.

Profit Before Taxation

For the year ended August 31, 2026, the Group recorded a profit before taxation of approximately RMB127.4 million, representing a decrease of approximately 74.3% year-on-year from approximately RMB495.9 million for the year ended August 31, 2025.

Taxation

For the year ended August 31, 2026, the Group recorded approximately RMB472.1 million in taxation, representing an increase of approximately 1,156.7% year-on-year from approximately RMB37.6 million for the year ended August 31, 2025.

Historically, based on the tax returns filed with the relevant tax authorities, the Group's colleges were considered to enjoy preferential tax treatment, and no provision for PRC corporate income tax was made on their academic education income for the year ended August 31, 2025 and prior years.

During the year ended August 31, 2026, the local tax authority initiated a series of tax re-assessments in respect of the education industry in the region, and during this re-assessment process, the local tax authority requires colleges to treat their academic education income as taxable for certain periods. In light of these new facts and circumstances, management reassessed the colleges' tax position and considered their profits to be subject to corporate income tax at 25%. This was accounted for as a change in accounting estimate, resulting in prior-period tax adjustments of approximately RMB383.1 million being recognized in income tax expenses for the year, and tax late payment surcharges of approximately RMB174.9 million being charged to other (expenses)/income – net.

The amounts set out above represent management's estimates, determined in accordance with the applicable principles for accounting estimates, using information available to the Group as at the date of this announcement. These estimates do not constitute confirmed tax liability of the Group, nor should they be interpreted as the amount ultimately payable to tax authorities.

The Group is in ongoing communication with the competent tax authority in respect of the relevant matters and, as at the date of this announcement, no final determination has been made. Whether any amount will be payable, and the final amount thereof, shall be subject exclusively to the final determination of the competent tax authority.

The Board considered that the tax provision reflects a change in the local tax authority's approach to the tax treatment of academic education income, and in no circumstance constitutes any non-compliance by the Group.

Adjusted Net Profit

Adjusted net profit under non-HKFRSs financial measures is defined as loss/profit for the year attributable to owners of the Company excluding long-term interest payable due to a related party, imputed interest expenses on discount of long-term other borrowings due to the controlling shareholder of the Company, net exchange losses, net fair value changes on investment properties, adjustments for current and deferred income tax of prior periods due to changes in facts and circumstances and tax late payment surcharge. As such items are not related to the underlying performance of the Group's operation, the Directors consider that the presentation of the Group's adjusted net profit under non-HKFRSs financial measures by eliminating the impact of certain non-trading items can reflect the operational performance better during the respective years. Furthermore, the Group's management also uses the non-HKFRSs financial measures to assess the Group's operating performance and formulate business plans. The Group believes that the non-HKFRSs financial measures provide useful information to the investors about its core business operations, which they can use to evaluate the Group's operating results and understand its consolidated results of operations in the same manner as the management.

Adjusted net profit is calculated by adjusting loss for the Reporting Period of approximately RMB344.7 million (year ended August 31, 2025: profit approximately RMB458.3 million), net fair value changes on investment properties of approximately RMB7.0 million (year ended August 31, 2025: approximately RMB14.4 million), imputed interest expenses on discount of long-term other borrowings and long-term interest payable due to a related party of approximately RMB1.7 million (year ended August 31, 2025: approximately RMB14.5 million), imputed interest expenses on discount of long-term other borrowings due to the controlling shareholder of the Company of approximately RMB9.3 million (year ended August 31, 2025: approximately RMB0.8 million), net exchange losses of approximately RMB0.1 million (year ended August 31, 2025: approximately RMB0.1 million), adjustments for current and deferred income tax of prior periods due to changes in facts and circumstances of approximately RMB383.1 million (year ended August 31, 2025: nil) and tax late payment surcharge of approximately RMB174.9 million (year ended August 31, 2025: nil). The Group's adjusted net profit decreased by approximately 49.6% from approximately RMB459.3 million for the year ended August 31, 2025 to approximately RMB231.6 million for the year ended August 31, 2026.

Property, Plant and Equipment

As at August 31, 2026, the Group's property, plant and equipment amounted to approximately RMB5,661.8 million, representing an increase of approximately 7.6% year-on-year from approximately RMB5,259.7 million recorded as at August 31, 2025. Such increase was a result of the construction work projects of Jiangmen campus of Huali College in Jiangmen, Guangdong Province.

Capital Expenditures

For the year ended August 31, 2026, the Group recorded approximately RMB576.9 million in capital expenditures, representing an increase of approximately 48.1% from approximately RMB389.5 million for the year ended August 31, 2025, which was mainly due to the increase in the expenditure for constructing new campus buildings for the year ended August 31, 2026 as compared with the corresponding period of last year.

Bank Balances and Cash

As at August 31, 2026, the Group had bank balances and cash of approximately RMB967.1 million, which remained relatively stable as compared with approximately RMB966.6 million as at August 31, 2025.

Liquidity, Financial Resources and Debt Ratio

As at August 31, 2026, the Group had liquid funds (representing bank balances and cash and financial assets at amortized cost) of approximately RMB968.5 million (August 31, 2025: RMB974.8 million) and borrowings of approximately RMB2,148.7 million (August 31, 2025: RMB2,049.2 million). As at August 31, 2026, the Group did not have any borrowings at fixed interest rates. The Group's debt ratio as at August 31, 2026, represented by borrowings as a percentage of total assets, was 25.7% (August 31, 2025: 25.7%). The Group's gearing ratio as at August 31, 2026, represented by borrowing as a percentage of total equity, was 53.9% (August 31, 2025: 47.6%).

Foreign Exchange Risk Management

For the Group's operation in the PRC, the major revenue and expenses are denominated in RMB, while there are certain monetary assets and monetary liabilities that are denominated in Hong Kong dollars and United States dollars, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Material Acquisitions and Disposals

On August 21, 2026, the Company entered into the Property Transfer Agreements with Hualiyuan Technology, pursuant to which the Company acquired the Properties from Hualiyuan Technology at a consideration of RMB37,707,439.14. The Properties are proposed to be used as student dormitories for the Company. Hualiyuan Technology is directly held as to 99% by Mr. Zhang, the chairman of the Board, an executive Director and a controlling shareholder of the Company, and as to 1% by Huali Property. Huali Property is directly held as to 99% by Mr. Zhang, and as to 1% by an Independent Third Party. Therefore, Hualiyuan Technology is a connected person of the Company, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5%, the Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated August 21, 2026 (the "**CT Announcement**"). Capitalized terms used in this paragraph shall have the same meanings as those defined in the CT Announcement, unless the context otherwise requires.

Save as disclosed in the above, the Group did not have any material acquisitions or disposals during the Reporting Period.

Charge on the Group's Assets

As at August 31, 2026, the Group pledged the charging right of the service fees from Huali Technician College, Huali Vocational College and Huali College, owned by a group entity according to the contractual arrangements and the equity interest of certain group entities as securities for the banking facilities granted to the Group. Save as disclosed in the above, there was no other material charge on the Group's assets as at August 31, 2026.

Contingent Liabilities

As at August 31, 2026, save as the tax estimate as disclosed in the above, the Group had no significant contingent liabilities.

BUSINESS OVERVIEW

We are a leading large-scale private higher education and vocational education group in South China, offering applied science-focused and practice-oriented programs and vocational education and training business. During the Reporting Period, the Group operated three schools, namely Huali College, Huali Vocational College, and Huali Technician College.

Since the establishment of our first school, the Group has been adhering to the socialist modernisation construction of the country, and cultivating specialized talents with high technical skills, applied skills, and high quality on the front line of production and service, who are in great demand in China's economy and society. Our schools offer private higher education and private vocational education in a wide range of fields in applied sciences with an aim to prepare our students with the necessary knowledge base, skill sets and accreditations to secure jobs and pursue careers in particular professions, trades and industries.

Student Enrollments

As at August 31, 2026, the total number of student enrollments in our three schools reached over 59,000, representing an increase of 6.4% compared to the corresponding period in 2025.

Number of student enrollments	**As at August 31, 2026**	As at August 31, 2025
Higher Education Program		
Huali College	**24,534**	25,291
Huali Vocational College	**27,024**	25,023
Tertiary Vocational Education		
Huali Technician College	**7,680**	5,353
Total	**59,238**	55,667

Range of Tuition Fees and Boarding Fees

The following table sets out the tuition fee rates and boarding fee rates of our schools for the 2025/2026 and 2024/2025 academic years:

	Tuition fee rates[1] in academic year		**Boarding fee rates in academic year**	
	2025/2026	2024/2025	**2025/2026**	2024/2025
	(RMB)	*(RMB)*	***(RMB)***	*(RMB)*
Higher Education Program				
Huali College				
Four-to-five-year undergraduate program[2]	**34,800-37,800**	30,800-37,800	**1,600-7,500**	1,300-7,100
International program	**42,800**	40,800	**1,600-7,500**	1,300-7,100
Huali Vocational College				
Three-year junior college program	**13,800-25,800**	12,880-23,800	**1,300-7,400**	1,300-7,000
Tertiary Vocational Education				
Huali Technician College				
Three-year vocational program[3]	**8,800-18,800**	8,800-15,800	**1,900-3,800**	1,900-3,600

Notes:

(1) Tuition fee rates shown above for all of our schools are applicable to students admitted in the relevant academic year only.

(2) Generally, Huali College offers four-year undergraduate programs, and a five-year undergraduate program in architecture.

(3) Generally, Huali Technician College offers three-year vocational programs, as well as two-, four- and five-year programs to students of different education levels pursuing different types of technician diplomas of Huali Technician College. In addition, we offer students at Huali Technician College a dual-diploma program, in which students are permitted to take junior college courses at Huali Vocational College and obtain a junior college diploma awarded by Huali Vocational College, subject to, among other things, passing the National Higher Education Entrance Exam for adults.

Awards and Recognitions Received During the Reporting Period

The Company and the three schools received numerous awards and recognitions during the year ended August 31, 2026 in recognition of the quality of education we provide and the outstanding achievements of our operations. The following table sets forth some of the awards and recognitions we have received:

	Award/Recognition	Awarding Organization(s)	Awarded Entity
October 2025	Guangzhou Zengcheng District Secondary and Primary School Labor Education Practice Base (廣州市增城區中小學勞動教學實踐基地)	Guangzhou Zengcheng District Education Bureau (廣州市增城區教育局)	Huali Vocational College
October 2025	Awarded the Title of "A Typical Case of The Integration of Industry and Education in Vocational Education" ("職業教育產教融合典型案例"稱號)	Specialty Committee on Light Industry Art and Design, National Advisory Committee for Light Industry Vocational Education (全國輕工職業教育教學指導委員會輕工藝術設計專業委員會)	Huali Vocational College
December 2025	2025 Advanced Unit of National Defense Education (2025年國防教育工作先進單位)	Guangdong National Defense Education Society (廣東國防教育學會)	Huali College
December 2025	Corporate Philanthropy Award (慈善企業)	Working Committee of Zengjiang Subdistrict, Zengcheng District, Guangzhou (廣州市增城區增江街工作委員會)	Huali College
December 2025	Advanced Collective Award of Guangdong Association of Senior Scientists and Technicians (廣東省老科學技術工作者協會先進集體獎)	Guangdong Association of Senior Scientists and Technicians (廣東省老科學技術工作者協會)	Huali College
December 2025	Vice-President Unit of Guangdong Academy of Human Resources (廣東省人力資源研究會副會長單位)	Guangdong Academy of Human Resources (廣東省人力資源研究會)	Huali Vocational College
December 2025	2025 Human Resources Innovation Practice Award (2025年度人力資源創新實踐獎)	Guangdong Academy of Human Resources (廣東省人力資源研究會)	Huali Vocational College

	Award/Recognition	Awarding Organization(s)	Awarded Entity
January 2026	Outstanding Volunteer Organisation Unit of 2026 The Guangdong-Hong Kong-Macao Greater Bay Area Women's Half Marathon (2026粵港澳大灣區女子半程馬拉松優秀志願組織單位)	Organizing Committee of The Guangdong-Hong Kong-Macao Greater Bay Area Women's Half Marathon (粵港澳大灣區女子半程馬拉松組委會)	Huali Vocational College
January 2026	Zengcheng District 2025 Two-Star Unit of Charitable Influence (增城區2025年度慈善影響力二星級單位)	Bureau of Civil Affairs of Zengcheng District, Guangzhou, Guangzhou Zengcheng District Charity Federation (廣州市增城區民政局、廣州市增城區慈善會)	Huali College
January 2026	Membership of Asia International Education Alliance (亞洲國際教育聯盟成員)	Asia International Education Alliance (亞洲國際教育聯盟)	Huali Vocational College
January 2026	Advanced Unit of Vocational Capacity Construction in Guangdong Province in 2025 (2025年度廣東省職業能力建設先進單位)	Guangdong Vocational Capacity Construction (廣東省職業能力建設協會)	Huali Technician College
March 2026	2025 Excellent Unit of Guangdong Education Communication (2025廣東教育傳播優秀單位)	Guangzhou Daily Group (廣州日報報業集團)	Huali Vocational College

OUTLOOK

The Group has always adhered to the founding mission of building a "century-old university", upholding the philosophy of high-quality education, with the goal of cultivating high-level applied and specialized talents to serve the economic development of the Greater Bay Area.

Looking ahead, the Group will continue to be guided by the Outline of the Plan for Building a Leading Country in Education (2024-2035)《教育強國建設規劃綱要(2024-2035)》, firmly seize the opportunities presented by the development of national strategic emerging industries and the industrial upgrading of the Greater Bay Area, focusing on cutting-edge fields such as new engineering, new business, and new medical disciplines, continuously deepen educational reform, advance the development of first-class fields of discipline and course.

The Group will also continue increasing investment in teaching and campus hardware, comprehensively improve the quality of education and teaching to cultivate high-quality applied talents with solid academic foundations, a strong sense of social responsibility, and practical capabilities.

SIGNIFICANT EVENT AFTER REPORTING PERIOD

There was no significant event affecting the Company nor any of its subsidiaries after the Reporting Period and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Company does not have other future plans for material investments or capital assets.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

Save as disclosed in this announcement, as of August 31, 2026, there was no significant investment held by the Group.

EMPLOYEES AND REMUNERATION POLICIES

Recruitment

We strictly comply with the PRC Labor Law, the PRC Labor Contract Law, the PRC Employment Promotion Law, the PRC Labor Dispute Mediation and Arbitration Law as well as other applicable provincial and local labor laws and regulations in our recruitment process. We prohibit discrimination of staff by age, sex, race, nationality, religion or disability to ensure that everyone has equal employment opportunities and prospects.

We recruit teachers based on the size of our current student enrollment and the number of newly admitted students at the beginning of each academic year. We primarily seek to recruit (i) high quality and experienced teachers who are knowledgeable in both theory and practice and hold the necessary academic credentials and professional qualifications (i.e. diplomas and professional certificates); and (ii) teachers who have work experience in the relevant industries. We also invite industry experts from entities with which we have cooperative relationships to give lectures or teach classes as adjunct faculty members of our schools.

Our schools carry out their recruitment works based on our employee manual and our teachers' recruitment policy, and continuously improve and refine their recruitment processes. We actively approach talents through participating in talent recruitment fairs and industry conferences, and encourage our staff to take advantage of social media to refer and recommend talented candidates to join us. In addition, we provide continuing trainings to our teachers so that they can stay abreast of the changes in market demand, new teaching theories and/or methodologies, changing teaching and testing standards.

Remuneration

As at August 31, 2026, the Group had 3,864 employees (as at August 31, 2025, approximately 3,400 employees). The remuneration packages of the employees of the Group are determined with reference to individual qualification, experience and performance, contribution to the Group, prevailing market rate and our remuneration policy.

The remuneration policy of our schools is formulated under the guidance of PRC laws and is based on industry characteristics as well as various market factors. The staff congress, president's office and board of directors of our schools collectively approve the compensation range of their employees. Our schools determine their respective compensation standards based on employment by function (teachers and administrative personnel) and position. Our schools pay a fixed annual salary to senior management and top talents such as directors, deans/department heads, administrative heads and professors. Our schools participate in social insurance plans (pension, medical, unemployment, work injury and maternity insurance) under the guidance of the relevant national, provincial and municipalities policies, and provide a variety of benefits for their employees.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the year ended August 31, 2026 (year ended August 31, 2025: Nil).

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on January 22, 2027. Notice convening the forthcoming AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cseindustry.com) in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, January 19, 2027 to Friday, January 22, 2027, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, January 18, 2027. The record date for determining entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, January 22, 2027.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including any sale or transfer of treasury shares (as defined in the Listing Rules)) during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares (as defined in the Listing Rules).

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual announcement, based on the information publicly available to the Company and to the knowledge of the Directors, the Company continued to meet the prescribed minimum percentage (i.e. at least 25% of the Company's total issued share capital is held by the public at all times as of the date of this announcement) of public float under the Listing Rules.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and the code provisions set out in Part 2 of the CG Code. The Board believes that good corporate governance is essential in enhancing the confidence of the Shareholders, potential investors and business partners and is consistent with the Board's pursuit of value creation for the Shareholders. The Company is committed to enhancing its corporate governance practices appropriate to the conduct and growth of its business and to reviewing such practices from time to time to ensure that the Company complies with the statutory and professional standards and is aligned with the latest development. During the year ended August 31, 2026, the Company had complied with all the code provisions set out in Part 2 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Group's code of conduct to regulate the securities transactions of the Directors and the relevant employees of the Group who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities. Having made specific enquiries, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the year ended August 31, 2026. In addition, the Company is not aware of any non-compliance of the Model Code by the relevant employees of the Group during the year ended August 31, 2026.

AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL INFORMATION

The Audit Committee consists of three independent non-executive Directors, namely Ms. Chiu Lai Kuen Susanna MH JP (Chairperson), Mr. Yang Ying and Mr. Ding Yi. The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended August 31, 2026, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK ON THE ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended August 31, 2026 as set out in the preliminary results announcement for the year ended August 31, 2026 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cseindustry.com). The annual report of the Company for the year ended August 31, 2026 will be made available on the same websites in due course.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED AUGUST 31, 2026
(All amounts expressed in RMB unless otherwise stated)

	Note	Year ended August 31, 2026 RMB'000	2025 RMB'000
Revenue	3	**1,535,474**	1,445,442
Cost of sales	6	**(947,721)**	(722,823)
Gross profit		**587,753**	722,619
Selling expenses	6	**(54,277)**	(45,691)
Administrative expenses	6	**(187,722)**	(181,892)
Provision of impairment losses on financial assets		**(27,849)**	–
Other (expenses)/income – net	4	**(125,222)**	58,554
Other (losses)/gains – net	5	**(6,507)**	11,702
Operating profit		**186,176**	565,292
Finance income		**277**	1,026
Finance expenses		**(59,034)**	(70,460)
Finance expenses – net	7	**(58,757)**	(69,434)
Profit before income tax		**127,419**	495,858
Income tax expenses	8	**(472,072)**	(37,565)
(Loss)/Profit for the year		**(344,653)**	458,293
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Revaluation gains arising from transfer of property, plant and equipment and corresponding right-of-use assets to investment properties, net of tax		**11,280**	1,353
Other comprehensive income for the year, net of tax		**11,280**	1,353
Total comprehensive (loss)/income for the year		**(333,373)**	459,646
Total comprehensive (loss)/income attributable to:			
– Controlling shareholder of the Company		**(333,373)**	459,646
(Loss)/Earnings per share attributable to the controlling shareholder of the Company (expressed in RMB per share)			
Basic and diluted	9	**(0.287)**	0.382

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
AS AT AUGUST 31, 2026
(All amounts expressed in RMB unless otherwise stated)

	Note	As at August 31, 2026	2025
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Right-of-use assets		**1,355,851**	1,408,117
Property, plant and equipment		**5,661,750**	5,259,715
Investment properties		**270,800**	243,300
Intangible assets		**8,292**	7,916
Deferred income tax assets		**800**	43
Prepayments		**67,908**	25,412
		7,365,401	6,944,503
Current assets			
Prepayments		**6,242**	5,201
Trade and other receivables	*11*	**22,117**	18,013
Amounts due from related parties		**582**	24,972
Restricted cash		**1,372**	8,240
Cash and cash equivalents		**967,103**	966,554
		997,416	1,022,980
Total assets		**8,362,817**	7,967,483
EQUITY			
Share capital and share premium		**603,188**	603,188
Statutory surplus reserves		**158,483**	146,566
Other reserves		**472,237**	443,110
Retained earnings		**2,753,661**	3,110,231
Total equity		**3,987,569**	4,303,095

	Note	As at August 31, 2026	2025
		RMB'000	*RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**1,848,214**	1,896,996
Lease liabilities		**3,242**	4,619
Accruals and other payables	*12*	**36,082**	31,237
Deferred income tax liabilities		**56,261**	67,998
		1,943,799	2,000,850
Current liabilities			
Accruals and other payables	*12*	**438,599**	403,618
Amounts due to related parties		**236,427**	24,668
Contract liabilities		**1,099,646**	1,064,661
Current income tax provision		**354,063**	15,211
Borrowings		**300,532**	152,214
Lease liabilities		**2,182**	2,210
Deferred revenue		**–**	956
		2,431,449	1,663,538
Total liabilities		**4,375,248**	3,664,388
Total equity and liabilities		**8,362,817**	7,967,483

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

China Science and Education Industry Group Limited (the "**Company**", formerly known as China Vocational Education Holdings Limited) was incorporated in the Cayman Islands on May 24, 2016 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in providing private tertiary education services, including tuition services and student accommodation services in the People's Republic of China (the "**PRC**").

The ultimate holding company of the Company is HL-Diamond Limited ("**HL-Diamond**"). The directors of the Company ("**Directors**") consider the ultimate controlling party to be Mr. Zhang Zhifeng, who is also an executive director and the chairman of the Board of the Company (the "**controlling shareholder**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since November 25, 2019.

These consolidated financial statements have been approved for issue by the Board of Directors on November 27, 2026.

2 BASIS OF PREPARATION

(i) Going concern assumption

As at August 31, 2026, the Group's current liabilities exceeded its current assets by RMB1,434,033,000. The Group's current liabilities mainly included contract liabilities of RMB1,099,646,000, borrowings due in one year of RMB300,532,000, payables to third parties for construction and purchase of long-term assets of RMB212,076,000 and payables to a related-party constructor amounting to RMB221,222,000. Also, as at August 31, 2026, the Group had capital commitment of RMB326,985,000.

In view of such circumstances, the Directors of the Company have given careful consideration of the future liquidity and operating performance of the Group and its available source of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have reviewed a cash flow projection of the Group prepared by management covering a period of not less than twelve months from August 31, 2026 taking into account the following factors:

(1) the Group will continue to collect tuition fees and boarding fees in due course,

(2) the Group had unutilized long-term bank facilitates of approximately RMB164,122,000 as at August 31, 2026 and the directors is confident that such bank facilities will continue to be available to the Group;

(3) the Group will continue to comply with the bank covenants of its existing bank facilities;

(4) on September 21, 2026, the Group and its controlling shareholder entered into two loan extension agreements pursuant to which two borrowings of RMB96,090,000 from the controlling shareholder, which were originally due for repayment within next twelve months, were extended to a date no earlier than December 31, 2027;

(5) subsequent to August 31, 2026, the payments schedules of the Group's payables for constructions with total amount of RMB284,224,000 were extended to a date no earlier than December 31, 2027, including payables of RMB216,027,000 to a related-party controlled by the controlling shareholder; and

(6) pursuant to supplemental extension agreements entered into with the relevant constructors, the payment schedule of certain payables with total amount of RMB269,419,000 were extended to a date no earlier than December 31, 2027, including payables of RMB173,741,000 to a related party controlled by controlling shareholder.

The Directors are of the opinion that, taking into account the Group's expected net cash inflows from its operating activities, the availability of the Group's bank facilities, and the payment schedule for borrowings and capital commitments, the Group will have sufficient financial resources to fulfil its financial obligations as and when they fall due in the coming twelve months from August 31, 2026. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

(ii) Consolidation of subsidiaries controlled through contractual arrangements

The wholly-owned subsidiary of the Company, Guangdong Huali Shengda Business Service Limited ("**Huali Shengda**", formerly known as Xizang Huali Shengda Information Technology Limited), entered into the contractual arrangements with the Guangzhou Huali College ("**Huali College**"), Guangzhou Huali Science and Technology Vocational College ("**Huali Vocational College**") and Guangdong Province Huali Technician College ("**Huali Technician College**"),(collectively the "**PRC Operating Entities**"), their school sponsor, Guangzhou Huali Investment Company Limited ("**Huali Investment**") and the legal owner of the PRC Operating Entities on March 23, 2017 and entered into supplemental contractual agreements on August 30, 2018 (collectively referred to as the Contractual Arrangements), which enable Huali Shengda and the Group to:

- exercise effective control over the PRC Operating Entities and Huali Investment;

- receive substantially all of the economic interest returns generated by the PRC Operating Entities and Huali Investment in consideration for the corporate management and educational services, as well as technical and business support services provided by Huali Shengda. Such services include development, design, upgrade and ordinary maintenance on educational software and website; design on college course and major; compilation and selection and/or recommendation on college course materials; recruitment and training supporting on teachers and other employees; admission and enrolment supporting services; public relation services; market research and development services; management and marketing consulting and related services; and other additional services as the parties may mutually agree from time to time;

- obtain an irrevocable and exclusive right to purchase all equity interests in the PRC Operating Entities and Huali Investment from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Huali Shengda may exercise such options at any time until it has acquired all equity interests in and/or all assets of the PRC Operating Entities and Huali Investment permitted under PRC laws and regulations. In addition, the PRC Operating Entities and Huali Investment are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Huali Shengda; and

- obtain a pledge over the entire equity interest of the PRC Operating Entities and Huali Investment from their equity holders to secure performance of the obligations of the PRC Operating Entities and Huali Investment under the Contractual Arrangements.

  The Group does not have any equity interest in the PRC Operating Entities and Huali Investment. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with the PRC Operating Entities and Huali Investment and has the ability to affect those returns through its power over the PRC Operating Entities and Huali Investment, and is considered to control the PRC Operating Entities and Huali Investment. Consequently, the Company regards the PRC Operating Entities and Huali Investment as the indirect subsidiaries under HKFRSs. The Group has included the financial position and results of the PRC Operating Entities and Huali Investment in the consolidated financial statements.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Operating Entities and Huali Investment, due to the uncertainties presented by the PRC legal system to impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Operating Entities and Huali Investment. The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among the PRC Operating Entities and Huali Investment and their equity shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

(iii) Compliance with HKFRSs and HKCO

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**") and disclosure requirements of the Hong Kong Companies Ordinance ("**HKCO**") Cap. 622.

(iv) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis as modified by the revaluation of investment properties which are carried at fair value.

(v) New and amended standards adopted by the Group

(a) New and amended standards adopted by the Group:

The Group has applied the following new and amended standards for its annual reporting period commencing September 1, 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) Certain new or amended accounting standards and interpretation have been published that are not mandatory for August 31, 2026 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature dependent Electricity	January 1, 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	January 1, 2026
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Amendments to Disclosures about Uncertainties in the Financial Statements	January 1, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
HKFRS 19 and amendments	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to HKAS 21	Amendments to Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to HK Int 5	Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2027
Amendments to HKFRS10 and HKAS 28	Amendments to Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending August 31, 2028 will be restated in accordance with HKFRS 18.

Except for the above mentioned changes in presentation and disclosure, the above pronouncements are not expected to have a material impact on the results or the financial position of the Group.

3 SEGMENT INFORMATION

The Group is principally engaged in provision of private tertiary education and ancillary services in the PRC. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("**CODM**") that are used to make strategic decisions. The CODM has been identified as the executive directors. CODM examines the Group's performance from the service perspective.

Information reported to the CODM, for the purpose of resource allocation and assessment of segment performance, is on a school by school basis. Each individual school constitutes an operating segment. The services provided and type of customers are similar in each operating segment, and each operating segment is subject to similar regulatory environment. Accordingly, their segment information is aggregated as a single reportable segment. CODM assesses the performance of the reportable segment based on the revenue and gross profit for the year of the Group as presented in the consolidated statements of comprehensive income. No analysis of the Group's assets and liabilities is regularly provided to the management of the Group for review.

As at August 31, 2026, approximately 99.9% of the carrying values of the Group's assets were situated in the Chinese Mainland. All of the Group's revenue are derived from activities in, and from customers located in the Chinese Mainland and no geographical segment analysis is prepared.

Revenue during the years ended August 31, 2026 and 2025 were as follows:

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Recognized over time		
– Tuition fees	**1,357,089**	1,294,979
– Boarding fees	**126,501**	110,841
– Other education service fees	**51,884**	39,622
	1,535,474	1,445,442

Tuition fees and boarding fees are recognized proportionately over each academic year. No customers individually accounted for more than 10% of the Group's revenue during the years ended August 31, 2026 and 2025.

4 OTHER (EXPENSES)/INCOME – NET

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Tax late payment surcharges	**(174,918)**	–
Rental income	**35,155**	32,513
Site use and relevant service income – net	**6,064**	4,850
Catering and relevant service income – net	**3,706**	7,720
Campus cleaning service income	**1,949**	5,910
Government subsidies	**1,712**	5,907
Others	**1,110**	1,654
	(125,222)	58,554

5 OTHER (LOSSES)/GAINS – NET

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Net fair value changes on investment properties	**(6,961)**	14,418
(Losses)/gains on disposals of property, plant and equipment	**(150)**	8
Provisions for litigations	**–**	(2,250)
Net exchange losses	**(113)**	(82)
Others	**717**	(392)
	(6,507)	11,702

6 EXPENSES BY NATURE

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Employee benefit expenses	**512,680**	462,130
Depreciation of property, plant and equipment	**237,804**	204,502
Depreciation of right-of-use assets	**46,425**	46,429
Property management fee	**45,172**	36,697
Course project design fee	**39,049**	814
Travel and activities expenses	**37,852**	14,816
School consumables	**35,063**	30,250
Allowance granted to students	**34,142**	7,071
Marketing expenses	**34,243**	20,522
Training expense	**29,519**	8,740
Maintenance fee	**26,437**	35,651
Utilities expenses	**26,343**	18,991
Office expenses	**19,013**	20,365
Consultancy and professional service fees	**15,288**	3,511
Other taxes	**7,054**	5,294
Rental expenses	**4,620**	2,690
Amortization of intangible assets	**3,963**	6,148
Auditors' remuneration – Audit services	**2,918**	2,780
Student activities expenses	**1,483**	1,512
Other expenses	**30,652**	21,493
Total cost of sales, selling expenses and administrative expenses	**1,189,720**	950,406

7 FINANCE EXPENSES – NET

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Finance income:		
– Bank interest income	**277**	1,026
Finance expenses:		
– Interest expenses on bank borrowings	**(49,381)**	(54,338)
– Imputed interest expenses on discount of long-term other borrowings due to the controlling shareholder of the Company	**(9,337)**	(829)
– Interest expenses on other borrowings due to the controlling shareholder of the Company	**(5,068)**	(6,119)
– Imputed interest expenses on discount of long-term other borrowings and long-term interest payables due to a related party	**(1,749)**	(14,537)
– Imputed interest expenses on discount of long-term payables for property, plant and equipment	**(1,484)**	(1,416)
Less: Interest expenses capitalized in property, plant and equipment *(Note (a))*	**8,238**	7,079
– Interest expense for lease liabilities	**(253)**	(300)
	(59,034)	(70,460)
Net finance expenses	**(58,757)**	(69,434)

(a) The capitalization rate used to determine the amount of borrowing costs to be capitalized is the interest rate applicable to the entity's borrowings for construction during the year. The capitalization rates were 3.00% and 3.40% for the years ended August 31, 2026 and 2025 respectively.

8 INCOME TAX EXPENSES

(a) Cayman Islands profits tax

The Company and its direct subsidiary were incorporated in the Cayman Islands as exempted companies with limited liability under the Companies Act (as revised) of the Cayman Islands and accordingly, are exempted from income tax.

(b) Hong Kong profits tax

No provision for Hong Kong profits tax was provided as the Group did not have assessable profits in Hong Kong during the years ended August 31, 2026 and 2025.

(c) PRC corporate income tax ("CIT")

The corporate income tax rate applicable to the Group's entities located in the Chinese Mainland (the "**PRC entities**") is 25% according to the Corporate Income Tax Law of the People's Republic of China effective on January 1, 2008.

According to the Implementation Rules, the not-for-profit private schools are eligible to enjoy the same preferential tax treatment as public schools of which the tuition fee and boarding fee are non-taxable income. However, as of the date of this announcement, no further policies, regulations or rules have been introduced by the authorities in this regard.

In previous years management believed that tuition fee and boarding fee of the colleges within the Group were non-taxable income and thus no CIT was provided for the relevant tuition fee and boarding fee. During the year ended August 31, 2026, management reassessed the tax position of the colleges within the Group and believed it was no longer probable that local tax authority will accept the previous tax position, therefore, their tuition fee and boarding fee of relevant recent periods would be subject to income tax at 25%, and provision has been made together with the late payment surcharges.

Such income tax provision was recognized in "income tax expenses" in the year ended August 31, 2026 as disclosed in below table and tax late payment surcharges were charged in "other (expenses)/ income - net" in the year ended August 31, 2026 as disclosed in Note 4. Such amounts may be subject to further adjustment when the relevant years' tax positions of the colleges within the Group are finalized by relevant tax authorities. The tax effects of any such adjustments will be recognised in profit or loss in the year in which the tax positions are finalized.

8 INCOME TAX EXPENSES (CONT'D)

(c) PRC corporate income tax ("CIT") (Cont'd)

Apart from Implementation Rules described above, the Decision on Amending the Law for Promoting Private Education of the PRC (the "**Amendment**") came into force on September 1, 2017. The Amendment establishes a new classification system for private schools by whether they are operated for profit-making purposes, and the sponsors of private schools may at their own discretion choose to establish not-for-profit or for-profit private schools. The Amendment is silent on the specific measures regarding how existing schools can choose to become for-profit private schools, which, according to the Amendment, shall be regulated by the corresponding laws and regulations to be promulgated by the local government authorities. On June 23, 2026, Implementation Rules for Classification Registration of Existing Private Higher Education Institutions in Guangdong Province was promulgated, and pursuant to which the colleges within the Group shall submit their registration applications within one year and complete registration within three years. Colleges electing to register as for-profit private schools shall submit documents including the deregistration statement and tax clearance certification to deregister its current legal person certification of private higher education institution. The Group intends to register three colleges as for-profit private schools upon the completion of registration. As at August 31, 2026 and up to date of this announcement, the colleges within the Group have not yet registered as for-profit private schools or not-for-profit private schools and remain as not-for-profit private schools and private non-enterprise units. Tax position of the colleges within the Group may be further clarified upon the completion of registration in the future.

Certain wholly-owned subsidiaries of the Group in the PRC enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based on 25% of their taxable income. Guangdong Shengli Technology Company Limited and Guangdong Huashi Education Support Service Company Limited enjoy the preferential income tax rate of 15% based on the relevant tax preferential policy granted to Ruyuan Yao Autonomous County. The applicable tax rate for Guangdong Huali Technology Company Limited is 3% as it enjoys both preferential income tax treatment for Small and Micro Enterprise and preferential policy granted to Ruyuan Yao Autonomous County at the same time.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated in the periods subsequent to January 1, 2008.

8 INCOME TAX EXPENSES (CONT'D)

(d) United States of America ("USA") corporate income tax

No provision for USA corporate income tax was provided as the Group did not have assessable profits in USA during the years ended August 31, 2026 and 2025.

Analysis of the Group's income tax expense was as follows:

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
Current tax provision	**92,893**	28,482
Adjustments for current income tax of prior periods due to changes in facts and circumstances	**395,433**	–
Total current tax expense	**488,326**	28,482
Deferred income tax		
(Increase)/decrease in deferred tax assets current years	**(22,015)**	238
(Decrease)/increase in deferred tax liabilities for current year	**18,047**	8,845
Adjustments for deferred income tax assets of prior periods due to changes in facts and circumstances	**(23,546)**	–
Adjustments for deferred income tax liabilities of prior periods due to changes in facts and circumstances	**11,260**	–
Total deferred tax expense	**(16,254)**	9,083
Income tax expenses	**472,072**	37,565

8 INCOME TAX EXPENSES (CONT'D)

(i) As at August 31, 2026 and 2025, deferred income tax liabilities of RMB245,012,000 and RMB244,556,000 have not been recognized for the withholding tax that would be payable on the unremitted earnings amounting to RMB2,882,157,000 and RMB3,260,742,000 of the PRC Operating Entities, respectively. Such earnings are expected to be retained by the PRC Operating Entities for reinvestment purposes and would not be remitted out of Chinese Mainland in the foreseeable future.

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of PRC, the principal place of the Group's operations, as follows:

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Profit before income tax	**127,419**	495,858
Calculated at applicable corporate income tax rate	**44,527**	126,946
Exemption of corporate income tax for income from formal educational services	**–**	(101,754)
Tax effect of expenses not deductible for tax purposes	**44,938**	5,520
Tax effect of income not taxable for tax purposes	**(5,591)**	–
Tax losses for which no deferred income tax asset was recognized	**6,841**	1,895
Previously unrecognized tax losses now recouped to reduce current income tax	**(113)**	(418)
Miscellaneous	**(504)**	–
Current tax on profits for the year	**90,098**	32,189
Adjustments for current and deferred income tax of prior periods due to changes in facts and circumstances	**383,147**	–
PRC withholding income tax	**(1,173)**	5,376
	472,072	37,565

Amounts recognized in other comprehensive income

	Year ended August 31,	
	2026	2025
	RMB'000	*RMB'000*
Deferred tax: Revaluation gains of investment properties upon transfer to property, plant and equipment and corresponding right-of-use assets	**3,760**	451

9 (LOSS)/EARNINGS PER SHARE

(a) Basic

The basic loss/earnings per share were calculated on the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the years ended August 31, 2026 and 2025 respectively.

	Year ended August 31,	
	2026	2025
(Loss)/profit attributable to equity holders of the Company (RMB'000)	**(344,653)**	458,293
Weighted average number of ordinary shares in issue (thousand shares)	**1,200,000**	1,200,000
Basic (loss)/earnings per share (expressed in RMB)	**(0.287)**	0.382

(b) Diluted

Diluted loss/earnings per share presented were the same as the basic loss/earnings per share as there were no potentially dilutive ordinary shares issued during the years ended August 31, 2026 and 2025.

10 DIVIDENDS

No dividend had been paid or declared by the Group for the years ended August 31, 2026 and 2025 nor has any dividend been proposed subsequent to August 31, 2026.

11 TRADE AND OTHER RECEIVABLES

	As at August 31,	
	2026	2025
	RMB'000	*RMB'000*
Trade receivables		
– Tuition fees receivables from students	**4,450**	4,644
– Boarding fees receivables from students	**45**	49
	4,495	4,693
Other receivables		
– Utilities receivables from campus logistics service providers	**3,539**	5,305
– Receivables for rental income	**29,787**	3,212
– Tuition fees receivables from financial institution	**5,478**	856
– Others	**6,667**	3,947
	45,471	13,320
Less: loss allowance	**(27,849)**	–
	17,622	13,320
	22,117	18,013

(i) As at August 31, 2026 and 2025, the aging analysis of the trade receivables based on the recognition date was as follows:

	As at August 31,	
	2026	2025
	RMB'000	*RMB'000*
Less than 1 year	**3,755**	4,471
1 to 2 years	**681**	208
2 to 3 years	**59**	14
	4,495	4,693

11 TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) As at August 31, 2026 and 2025, the Group's maximum exposure to credit risk was the carrying value of each class of trade and other receivables. The Group currently does not hold any other collateral as security.

Management has closely monitored the credit qualities and the collectability of trade receivables and considers that the expected credit risks of them are minimal in view of the history of cooperation with them and forward-looking information. The loss allowance provision for these balances was not material and no provision was recorded during the years ended August 31, 2026 and 2025.

(iii) To measure the expected credit loss of other receivables, management considered credit risk characteristics and the aging days. The expected credit loss also incorporates forward-looking information.

(iv) As at August 31, 2026 and 2025, trade and other receivables of the Group were denominated in RMB.

(v) As at August 31, 2026 and 2025, the fair values of trade and other receivables approximated their carrying amounts.

12 ACCRUALS AND OTHER PAYABLES AND AMOUNTS DUE TO RELATED PARTIES

	As at August 31,	
	2026	2025
	RMB'000	*RMB'000*
Payable for construction and purchase of non-current assets	**212,076**	310,483
Provision for late payment surcharge on tax	**134,540**	–
Government subsidies payable to students	**46,158**	46,183
Employee benefits payables	**29,238**	25,793
Miscellaneous fee received from students *(Note (a))*	**19,836**	10,123
Interest payable	**8,454**	9,006
Other taxes payable	**6,374**	8,680
Payable for property management service	**3,994**	3,646
Payables for utilities expenses	**2,509**	2,644
Payables for canteen suppliers	**2,416**	6,643
Auditor's remuneration payable	**1,956**	1,218
Others	**7,130**	10,436
	474,681	434,855
Less: non-current portion		
Payable for construction of non-current assets	**(36,082)**	(31,237)
Current portion	**438,599**	403,618

12 ACCRUALS AND OTHER PAYABLES AND AMOUNTS DUE TO RELATED PARTIES (CONT'D)

	As at August 31,	
	2026	2025
	RMB'000	*RMB'000*
Amounts due to related parties		
– Current	**236,427**	24,668
– Non-current	**–**	–
	236,427	24,668

(a) The amounts represented the miscellaneous fee received from students which would be paid out by the Group on behalf of students.

(b) As at August 31, 2026 and 2025, the fair values of current accruals and other payables and current amounts due to related parties approximated their carrying amounts due to their short-term maturities.

(c) As at August 31, 2026 and 2025, the non-current accruals and other payables were initially recognized at fair value at discount rate available to the Group and subsequently measured at amortized cost using the effective interest rate method.

"academic year(s)"	the academic year for all our schools, which generally starts on September 1 of each calendar year and ends on August 31, of the next calendar year
"AGM"	annual general meeting of the Company to be held on January 22, 2027
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"Business Cooperation Agreement"	the Business Cooperation Agreement entered into by and among Huali Shengda, Huali Investment, our PRC Operating Entities and the Registered Shareholder dated March 23, 2017 (supplemented on November 27, 2017, August 30, 2018 and December 7, 2021)
"BVI"	The British Virgin Islands
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China and for the purposes of this announcement only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Company"	China Science and Education Industry Group Limited (中國科教產業集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 1756)

"consolidated affiliated entities"	the entities the Company controls through the structured contracts as further elaborated in the section headed "Structured Contracts" in the Prospectus, namely Huali Investment, Huali College, Huali Vocational College and Huali Technician College, and each a "consolidated affiliated entity"
"Controlling Shareholder(s)"	has the meaning as defined in the Listing Rules and, unless the context otherwise requires, refers to Mr. Zhang, Trust Co and Huali Education
"Conversion of Huali College"	the conversion of Huali College from a private independent college into an independently established private general undergraduate college in the PRC
"Director(s)"	the director(s) of the Company
"Equity Pledge Agreement"	The Equity Pledge Agreement entered into by and among the Registered Shareholder, Huali Shengda and Huali Investment dated August 30, 2018
"Exclusive Call Option Agreement"	the Exclusive Call Option Agreement entered into by and among the Registered Shareholder, Huali Investment, the PRC Operating Entities and Huali Shengda dated March 23, 2017 and August 30, 2018
"Exclusive Technical Service and Management Consultancy Agreement"	the Exclusive Technical Service and Management Consultancy Agreement entered into by and among Huali Shengda, Huali Investment and the PRC Operating Entities dated March 23, 2017 (supplemented on August 30, 2018)
"Group", "We", "us", or "our"	the Company, its subsidiaries and its consolidated affiliated entities
"HKFRSs"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Huali College"	Guangzhou Huali College (廣州華立學院) (formerly known as Huali College Guangdong University of Technology (廣東工業大學華立學院)), a private independent college established under the laws of the PRC on January 1, 2006, was converted into an independently established private general undergraduate college with the official approval by MOE in May 2021, and a consolidated affiliated entity of the Company
"Huali Construction"	Guangdong Huali Construction Co., Ltd.* (廣東華立建築有限公司), a limited liability company established in the PRC and directly owned by Mr. Zhang and Mr. Zhang Zhifan, the brother of Mr. Zhang, as to 99.97% and 0.03% respectively, and a connected person of the Company
"Huali Education"	Huali Education Holdings Limited, a limited liability company incorporated in BVI and wholly owned by Trust Co
"Huali (HK) Education"	Huali (HK) Education Investment Limited (香港華立教育投資有限公司), a limited liability company incorporated in Hong Kong on May 18, 2016 and an indirect wholly owned subsidiary of the Company
"Huali Investment"	Guangzhou Huali Investment Company Limited (廣州華立投資有限公司), being the school sponsor of each of the PRC Operating Entities, a company established in the PRC with limited liability on June 15, 1999 and a consolidated entity of the Company
"Huali Property"	Guangdong Huali Property Company Limited (廣東華立地產集團有限公司), a company with limited liability established under the laws of the PRC on July 1, 2008 and held as to 99% by Mr. Zhang and as to 1% by an independent third party, and which is not a member of the Group

* *for identification purpose only*

"Huali Shengda"	Guangdong Huali Shengda Business Service Limited (廣東華立盛大商務服務有限公司) (formerly known as Xizang Huali Shengda Information Technology Limited (西藏華立盛大信息科技有限公司), an enterprise established under the laws of PRC on January 18, 2017, which is a wholly owned subsidiary of Huali Shengrong
"Huali Shengrong"	Guangzhou Huali Shengrong Education Technology Company Limited (廣州華立盛榮教育科技有限公司), a wholly foreign-owned enterprise with limited liability established under the laws of the PRC on December 27, 2016, which is wholly owned by Huali (HK) Education
"Huali Technician College"	Guangdong Province Huali Technician College (廣東省華立技師學院), a private tertiary vocational school established under the laws of the PRC on August 20, 2003, of which the school sponsor's interest is wholly owned by Huali Investment, and a consolidated affiliated entity of the Company
"Huali Vocational College"	Guangzhou Huali Science and Technology Vocational College (廣州華立科技職業學院), a formal higher education institution established under the laws of the PRC on July 19, 2005, of which the school sponsor's interest is wholly owned by Huali Investment, and a consolidated affiliated entity of the Company
"Hualiyuan Technology"	Guangdong Hualiyuan Technology Company Limited (廣東華立園科技有限公司), a company with limited liability established under the laws of the PRC on January 6, 2004, which is not a member of the Group and is held as to 99% by Mr. Zhang and as to 1% by Huali Property
"Implementation Rules"	the Regulations of the Implementation Rules for the Law for Promoting Private Education of the PRC《中華人民共和國民辦教育促進法實施條例》issued by the State Council on April 7, 2021, and effective from September 1, 2021
"Listing"	the listing of the Shares on the Main Board on the Listing Date

"Listing Date"	November 25, 2019, the date on which the Shares were listed and on which dealings in the Shares were first permitted to take place on the Main Board
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"MOE"	the Ministry of Education of the PRC (中華人民共和國教育部)
"Mr. Zhang"	Mr. Zhang Zhifeng, chairman of the Board, executive Director and one of our controlling shareholders
"Mu"	the Chinese land area unit, whereby a mu equals to approximately 666.67 square meters
"Nomination Committee"	the nomination committee of the Board
"PRC Operating Entities"	the Company's consolidated affiliated entities, namely, Huali College, Huali Vocational College and Huali Technician College
"Properties"	two 6-storey buildings for student dormitory use located at Guangdong Huali City College, No. 55 Yunxiang Avenue, Duyang Town, Yun'an District, Yunfu City, Guangdong Province, the PRC, with a total gross floor area of 10,500.54 sq.m. (consisting of Building No. 1 with a gross floor area of 5,250.27 sq.m. and Building No. 2 with a gross floor area of 5,250.27 sq.m.)
"Property Transfer Agreements"	the property transfer agreements each dated August 21, 2026 entered into between the Purchaser and the Vendor in relation to the Acquisition, both agreements being on substantially similar terms save that each agreement relates to a different property being acquired (namely, Building No. 1 and Building No. 2)

"Prospectus"	the prospectus of the Company dated November 14, 2019
"Registered Shareholder(s)"	Huali Investment is owned as to 99.999% by Mr. Zhang and as to 0.001% by Mr. Zhang Zhifan
"Registered Shareholder's Right Entrustment Agreement and Registered Shareholder's Power of Attorney"	the Registered Shareholder's Right Entrustment Agreement and Registered Shareholder's Power of Attorney entered into by and among Huali Investment, the Registered Shareholder and Huali Shengda in favor of Huali Shengda dated September 19, 2017 (supplemented on August 30, 2018 and December 7, 2021)
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended August 31, 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"School Directors"	the directors nominated by Huali Investment to each of our PRC Operating Entities
"School Directors' Power of Attorney"	the School Directors' Power of Attorney executed by each of the School Directors in favor of Huali Shengda dated March 23, 2017 (supplemented on August 30, 2018, September 28, 2018, April 23, 2019, July 22, 2019, October 10, 2019, January 17, 2020, November 18, 2024, October 21, 2025 and December 19, 2025)
"School Sponsor(s)"	the individual(s) or entity(ies) that funds or holds interests in an educational institution
"School Sponsor's and Directors' Rights Entrustment Agreement"	the School Sponsor's and Directors' Rights Entrustment Agreement entered into by and among Huali Investment, the School Directors and Huali Shengda dated March 23, 2017 (supplemented on August 30, 2018, September 28, 2018, April 23, 2019, July 22, 2019, October 10, 2019, July 20, 2020, November 18, 2024 and October 21, 2025)
"School Sponsor's Power of Attorney"	the School Sponsor's Power of Attorney executed by Huali Investment in favor of Huali Shengda dated March 23, 2017

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of the Share(s)
"Shares"	ordinary shares in the Company of par value US$0.0001 each
"South China"	Guangdong Province, Guangxi Province and Hainan Province of the PRC
"Spouse Undertaking"	the Spouse Undertaking executed by the spouse of the Registered Shareholder dated March 23, 2017 (supplemented on August 30, 2018 and December 7, 2021)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	collectively, the Business Cooperation Agreement, the Exclusive Technical Service and Management Consultancy Agreement, the Exclusive Call Option Agreement, the Equity Pledge Agreement, the School Sponsor's and Directors' Rights Entrustment Agreement, the School Sponsor's Power of Attorney, the School Directors' Power of Attorney, the Spouse Undertaking, the Registered Shareholder's Right Entrustment Agreement and the Registered Shareholder's Power of Attorney
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Trust Co"	Huali-Diamond Limited, a holding vehicle incorporated in BVI indirectly controlled by UBS Trustee (B.V.I.) Limited, the trustee of HL-Diamond Trust, to hold the entire issued share capital of Huali Education
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

The English names of the PRC entities (including schools), PRC laws or regulations, and the PRC government authorities referred to in this announcement are merely translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

By order of the Board
China Science and Education Industry Group Limited
Zhang Zhifeng
Chairman

Hong Kong, November 27, 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Zhifeng, Mr. Ye Yaming, Mr. Zhang Yude and Mr. Xiao Xiaobing; and the independent non-executive Directors are Ms. Chiu Lai Kuen Susanna MH JP, Mr. Yang Ying and Mr. Ding Yi.