



2020

Annual Report
年度報告



华立大学集团有限公司 Huali University Group Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1756

Contents

目錄

Corporate Information 公司資料	02	Independent Auditor's Report 獨立核數師報告	127
Financial Highlights 財務摘要	05	Consolidated Statement of Comprehensive Income 合併綜合收益表	132
Chairman's Statement 主席報告	06	Consolidated Balance Sheet 合併資產負債表	133
Management Discussion and Analysis 管理層討論及分析	08	Consolidated Statement of Changes in Equity 合併權益變動表	135
Directors and Senior Management 董事及高級管理層	27	Consolidated Statement of Cash Flows 合併現金流量表	136
Directors' Report 董事會報告	34	Notes to the Consolidated Financial Statements 合併財務報表附註	137
Corporate Governance Report 企業管治報告	65	Four-Year Financial Summary 四年財務概要	217
Environmental, Social and Governance Report 環境、社會及管治報告	83	Definitions 釋義	218



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Zhifeng (*Chairman of the Board*)

Mr. Ye Yaming

Mr. Dong Xiaolin⁽¹⁾

Non-executive Director

Mr. Zhang Yude

Independent Non-Executive Directors

Ms. Chiu Lai Kuen Susanna, M.H., J.P.

(*appointed on July 17, 2020*)

Mr. Yang Ying

Mr. Ding Yi

Mr. Chow Kwong Fai, Edward, J.P.

(*passed away on June 1, 2020*)

AUDIT COMMITTEE

Ms. Chiu Lai Kuen Susanna, M.H., J.P. (*Chairman*)

(*appointed on July 17, 2020*)

Mr. Yang Ying

Mr. Ding Yi

Mr. Chow Kwong Fai, Edward, J.P.

(*passed away on June 1, 2020*)

REMUNERATION COMMITTEE

Mr. Yang Ying (*Chairman*)

Mr. Ye Yaming

Mr. Ding Yi

NOMINATION COMMITTEE

Mr. Zhang Zhifeng (*Chairman*)

Mr. Yang Ying

Mr. Ding Yi

JOINT COMPANY SECRETARIES

Mr. Hung Manling

Mr. Cheung Kai Cheong, Willie, CPA, FCCA

AUTHORIZED REPRESENTATIVES

Mr. Ye Yaming

Mr. Cheung Kai Cheong, Willie

Note:

1. Mr. Dong Xiaolin will resign as an executive Director and Mr. Ma Zhixiong will be appointed as an executive Director with effect from the conclusion of the AGM.

董事會

執行董事

張智峰先生 (*董事會主席*)

葉雅明先生

董小麟先生⁽¹⁾

非執行董事

張裕德先生

獨立非執行董事

趙麗娟女士 · M.H. · J.P.

(*於2020年7月17日獲委任*)

楊英先生

丁義先生

周光暉先生 (*太平紳士*)

(*於2020年6月1日離世*)

審核委員會

趙麗娟女士 · M.H. · J.P. (*主席*)

(*於2020年7月17日獲委任*)

楊英先生

丁義先生

周光暉先生 (*太平紳士*)

(*於2020年6月1日離世*)

薪酬委員會

楊英先生 (*主席*)

葉雅明先生

丁義先生

提名委員會

張智峰先生 (*主席*)

楊英先生

丁義先生

聯席公司秘書

洪文靈先生

張啟昌先生 · CPA · FCCA

授權代表

葉雅明先生

張啟昌先生

附註：

1. 董小麟先生將辭任執行董事，馬志雄先生將獲委任為執行董事，自股東週年大會結束起生效。

REGISTERED OFFICE IN CAYMAN ISLANDS

P.O. Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

HEADQUARTERS IN THE PRC

The Administration Building of Guangzhou
Huali Science and Technology Town
No. 11 Huali Road
Zengcheng District
Guangzhou
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

COMPLIANCE ADVISER

China Industrial Securities International Capital Limited
7/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

開曼群島註冊辦事處

P.O. Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

中國總部

中國
廣東省
廣州市
增城區
華立路11號
廣州華立科技園
行政大樓

香港主要營業地點

香港
灣仔
皇后大道東248號
陽光中心40樓

開曼群島股份過戶登記處

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

香港證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓1712-1716號舖

合規顧問

興證國際融資有限公司
香港
中環
康樂廣場8號
交易廣場三期7樓

Corporate Information

公司資料

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and PIE Registered Auditor
22/F, Prince's Building
Central
Hong Kong

LEGAL ADVISER AS TO PRC LAW

Dentons (Guangzhou)
14/F, 15/F, CTF Finance Centre
No.6 Zhujiang East Road
Zhujiang New Town
Guangzhou
Guangdong Province
PRC

LEGAL ADVISER AS TO HONG KONG LAW

King & Wood Mallesons
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

PRINCIPAL BANKS

CMB Wing Lung Bank Limited
16/F, CMB Wing Lung Bank Building
No. 45 Des Voeux Road, Central
Hong Kong

Guangzhou Rural Commercial Bank Co., Ltd
No. 81 Lixin Middle Road, Shitan Town
Zengcheng District
Guangzhou
Guangdong Province
PRC

COMPANY WEBSITE

www.hualiuniversity.com

INVESTOR RELATION CONTACT

Email address: ir@hltz.net
Telephone/Fax number: +8620 8290 1822

STOCK CODE

1756

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公眾利益實體核數師
香港
中環
太子大廈22樓

有關中國法律的法律顧問

北京大成(廣州)律師事務所
中國
廣東省
廣州市
珠江新城
珠江東路6號
周大福金融中心14層、15層

有關香港法例的法律顧問

金杜律師事務所
香港
中環
皇后大道中15號
置地廣場
告羅士打大廈13樓

主要往來銀行

招商永隆銀行有限公司
香港
中環德輔道中45號
招商永隆銀行大廈16樓

廣州農村商業銀行股份有限公司
中國
廣東省
廣州市
增城區
石灘鎮立新中路81號

公司網站

www.hualiuniversity.com

投資者關係聯絡

電郵地址：ir@hltz.net
電話／傳真號碼：+8620 8290 1822

股份代號

1756

Financial Highlights

財務摘要

		As at August 31, 2020 於2020年 8月31日	As at August 31, 2019 於2019年 8月31日	Change 變動	Percentage change 百分比變動
Number of schools	學校數目	3	3	—	—
Student enrollment	就讀學生人數	43,314	42,803	511	1.2%

		Year ended August 31, 2020 截至2020年 8月31日止年度 (RMB'000) (人民幣千元)	Year ended August 31, 2019 截至2019年 8月31日止年度 (RMB'000) (人民幣千元)	Change 變動 (RMB'000) (人民幣千元)	Percentage change 百分比變動
Revenue	收入	761,481	674,800	86,681	12.8%
Gross profit	毛利	452,579	367,786	84,793	23.1%
Profit for the year	年內利潤	306,669	223,063	83,606	37.5%
Adjusted net profit ⁽¹⁾	經調整純利 ⁽¹⁾	337,708	253,379	84,329	33.3%
Earnings per share (RMB)	每股盈利(人民幣元)	0.270	0.248	0.022	8.9%
				(Percentage point) (百分點)	
Gross profit ratio	毛利率	59.4%	54.5%	4.9	
Operating profit ratio	經營利潤率	46.5%	40.5%	6.0	
Net profit ratio	純利率	40.3%	33.1%	7.2	
Adjusted net profit ratio ⁽¹⁾	經調整純利率 ⁽¹⁾	44.3%	37.5%	6.8	

Note:

- Adjusted net profit is a non-HKFRSs measure, which is derived from the profit for the year after adjusting the listing expenses, interest expenses on discount of amounts due to a related party, net foreign exchange gain or loss and fair value gains on investment properties.

附註：

- 經調整純利並非香港財務報告準則計量方法，按就上市開支、應付關聯方款項的已貼現利息開支、匯兌收益或虧損淨額及投資物業公平值收益作出調整後的年內利潤計算。

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the Board, I am pleased to introduce this annual report of the Company for the year ended August 31, 2020.

The Company's shares were successfully listed on the Stock Exchange on November 25, 2019. Listing on the Stock Exchange has brought new opportunities and possibilities for the development of the Company. The management of the Company will grasp the opportunity to further improve the influence and reputation of the Company's brand, and further enhance its scale of operations with sustained profitability and effective management strategy.

BUSINESS HIGHLIGHTS

The Group achieved encouraging results of performance for the year ended August 31, 2020. We are a leading large-scale private higher education and vocational education group in South China, offering applied science-focused and practice-oriented programs. For the year ended August 31, 2020, we had an aggregate of 43,314 students enrolled at our three schools, namely Huali College, Huali Vocational College and Huali Technician College, representing an increase of 1.2% than that of the 2018/2019 academic year. For the year ended August 31, 2020, the Group's schools recorded revenue growth, which is consistent with its business expansion. The Group's revenue increased from approximately RMB674.8 million for the year ended August 31, 2019 to RMB761.5 million for the year ended August 31, 2020, with an increase of RMB86.7 million. The Group generally charges students tuition fees and boarding fees, accounting for 100% of the total income of the Group for the year ended August 31, 2020.

A final dividend in respect of the year ended August 31, 2020 of RMB0.0626 per Share, amounting to a total dividend of RMB75,120,000, will be proposed at the AGM.

PROSPECTS

We intend to maintain and strengthen our leading position in the private higher education industry and private vocational education industry in South China. To achieve this goal, we plan to pursue the following business strategies: (1) continue to enhance our reputation as a provider of private higher education and private vocational education; (2) continue to increase student enrollment through expanding our business operations in our existing schools and further expand our school network in China and abroad; (3) continue to improve our profitability by optimizing our pricing and sources of revenue; (4) continue to strengthen collaboration with corporate employers; and (5) continue to attract, incentivize and retain talented teachers and support their professional development.

各位股東：

本人代表董事會，欣然提呈本公司截至2020年8月31日止年度的本年報。

本公司股份於2019年11月25日成功在聯交所上市。在聯交所上市為本公司發展帶來了新的機遇及可能性。本公司管理層將把握機遇，進一步提高本公司品牌的影響力及美譽度，以持續盈利及有效的管理策略進一步擴大經營規模。

業務摘要

截至2020年8月31日止年度，本集團取得了令人鼓舞的業績表現。我們是華南領先的大型民辦高等教育及職業教育集團，提供以應用科學為重點、實踐為導向的課程。截至2020年8月31日止年度，我們三所學校（即華立學院、華立職業學院及華立技師學院）共有43,314名在校學生，較2018/2019學年增加1.2%。截至2020年8月31日止年度，本集團學校錄得收入增長，與業務擴張一致。本集團的收入由截至2019年8月31日止年度約人民幣674.8百萬元，增加至截至2020年8月31日止年度的人民幣761.5百萬元，增加人民幣86.7百萬元。本集團一般向學生收取學費及寄宿費，佔本集團截至2020年8月31日止年度總收入的100%。

截至2020年8月31日止年度的末期股息每股人民幣0.0626元（股息總額為人民幣75,120,000元）將於股東週年大會上提呈。

前景

我們致力於維持並鞏固在華南地區民辦高等教育行業及民辦職業教育行業的領先地位。為實現該目標，我們計劃實施以下業務策略：(1)進一步提升我們作為民辦高等教育及民辦職業教育供應商的聲譽；(2)透過拓展現有學校的業務營運而繼續增加就讀人數，並進一步擴展國內外學校網絡；(3)透過優化定價及收入來源，繼續提升盈利能力；(4)持續加強與企業僱主合作；及(5)持續吸引、激勵和留任優質教師，支持其專業發展。

APPRECIATION

On behalf of the Board, I would like to thank all the Shareholders for their continued trust, support and confidence. I would also like to express my sincere gratitude to the management and all staff for their professionalism, integrity and dedication in implementing the Group's strategies. The Group will continue to pursue sustainable development strategies and focus on maximizing the Shareholders' returns.

Zhang Zhifeng

Chairman

Hong Kong, November 6, 2020

致謝

本人代表董事會，謹此感謝所有股東的持續信任、支持和信心。本人亦謹此真誠感謝管理層及全體員工在實施本集團策略時的專業精神、誠實及奉獻。本集團將繼續奉行可持續發展戰略，致力於股東回報最大化。

張智峰

主席

香港，2020年11月6日

Management Discussion and Analysis

管理層討論及分析

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. As at August 31, 2020, we had an aggregate of 43,314 students enrolled at our three schools, namely Huali College, Huali Vocational College and Huali Technician College.

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.

Business Highlights

Our schools are located in strategic geographic locations in Guangdong Province with strong reputation for offering applied science-focused and practice-oriented formal higher education programs and vocational programs

All our three schools are located in Guangdong Province, one of China's most developed provinces. In light of the national strategy "Made in China 2025" adopted by the State Council in 2015 to promote the development of China's manufacturing industry in the next 10 years and the national strategy issued in 2019 on the development of the "Guangdong-Hong Kong-Macau Greater Bay Area" (《粵港澳大灣區》) to deepen cooperation between Guangdong Province, Hong Kong and the Macau Special Administrative Region and drive coordinated regional economic development, Guangdong Province has significant growth opportunities. In addition, it is expected the supply of talent in technology and science in Guangdong Province will be insufficient to satisfy the demand. Through over 20 years of operation, we have established a strong reputation for providing applied science-focused and practice-oriented formal higher education programs and vocational programs. During the past few years, the admission score of Huali College and Huali Vocational College also ranked among the highest of comparable private higher education institutions in Guangdong Province, which demonstrated market recognition of the quality of our education services as well as confidence of students and parents in our schools. We believe we are well positioned to capture the growth opportunities in the private higher education industry and private vocational education industry in China, in particular in Guangdong Province.

業務概覽

我們是華南領先的大型民辦高等教育及職業教育集團，提供以應用科學為重點、實踐為導向的課程。於2020年8月31日，我們三所學校（即華立學院、華立職業學院及華立技師學院）共有43,314名在校學生。

我們的學校提供多個應用科學領域的民辦高等教育及民辦職業教育，旨在使學生獲取於特定職業和行業求職及發展事業必要的知識基礎、專業技能和職業認證。

業務摘要

我們的學校位處廣東省戰略地理位置，在提供以應用科學為重點、實踐為導向的學歷高等教育課程及職業課程方面享有盛譽

我們所有三所學校均位於中國最發達的省份之一廣東省。鑒於2015年國務院為促進未來10年中國製造業發展而採納的「中國製造2025」國家戰略和2019年頒佈的深化廣東省、香港與澳門特別行政區的合作及推動區域經濟協調發展的「粵港澳大灣區」發展國家戰略，廣東省擁有巨大增長機遇。此外，預計廣東省科技人才將供不應求。經過20多年經營，我們已在提供以應用科學為重點、實踐為導向的學歷高等教育課程及職業課程方面建立良好的聲譽。過去幾年，華立學院及華立職業學院的錄取分數亦在廣東省可比民辦高等教育機構中名列前茅，表明我們教育服務的品質得到市場認可，且學生及家長對我們的學校有信心。我們相信，我們完全有能力把握中國（尤其是廣東省）民辦高等教育行業及民辦職業教育行業的增長機遇。

Management Discussion and Analysis 管理層討論及分析

We have a unified educational philosophy and centralized management structure

We operate each of our schools with a unified educational philosophy, which is to provide the best practice-oriented education based on each student's education level and individual needs and help them succeed. For all of the schools we operate, we utilize market demand to guide our selection of major offerings and design of curricula. In addition, in order to maintain the quality of our education services, our teachers undergo frequent training and we conduct teacher performance reviews and evaluations to ensure that consistent teaching standards and educational philosophy are implemented in different schools. We have established a centralized management system which enables us to consistently manage various aspects of our schools including, among others, finance and budgeting, marketing and student recruitment and talent reserve. In addition, under our centralized management structure, we make overall plans and development strategies for all of our schools, which we believe have enabled us to fully integrate our resources to promote balanced growth of our schools and optimize synergistic effects among our schools.

We believe that through our unified educational philosophy and centralized management structure, we are able to integrate our resources, achieve economies of scale, lower our operating costs and serve a large and growing student population while maintaining consistent education quality and standards, all of which can be employed to enable us to implement consistent strategies with a view to replicating our success when we acquire or establish new schools in the future.

We have an experienced and proven senior management team

Each of our schools is managed on a day-to-day basis by a principal, who is assisted by several vice-principals and a team of seasoned mid-level managers. The principals are dedicated and experienced educators and many of our mid-level managers also have extensive experience in the education industry. Some of our vice-principals served as teachers or administrative staff at our schools before being internally promoted to management level and have in-depth understanding of our corporate culture and management philosophy. In addition, we provide professional management training to our management team and conduct performance reviews and evaluations periodically. We believe that our management team possesses the vision and in-depth industry knowledge required to anticipate and take advantage of market opportunities and to effectively prioritize and execute sound business strategies to maximize the Shareholders' value.

我們擁有統一的教育理念和集中管理架構

我們以統一的教育理念經營每所學校，即根據每名學生的教育水平及個人需求提供以實踐為導向的最佳教育，幫助學生取得成功。對於我們經營的每所學校，我們利用市場需求指導專業設置及課程設計。此外，為了維持我們教育服務的品質，我們的教師經常接受培訓，且我們進行教師表現檢討及評估，以確保在不同學校實行統一的教學標準及教育理念。我們已建立一個集中管理系統，令我們可始終如一地管理學校的各個方面，包括財務及預算、營銷及學生錄取和人才儲備等。另外，根據我們的集中管理架構，我們為所有學校制定總體計劃及發展策略，我們相信此舉可令我們充分整合資源，以推動學校均衡發展及優化學校之間的協同效應。

我們相信，憑藉我們統一的教育理念及集中管理架構，我們有能力整合資源，實現規模效應，降低經營成本，服務龐大且不斷增長的學生群體，同時保持一貫的教育品質及水平，這些均有助我們實施一致的策略，從而在未來收購或建立新學校時複製我們的成功。

我們擁有經驗豐富且行之有效的管理團隊

我們各學校由一名校長進行日常管理，並由數名副校長及一個經驗豐富的中層管理人員團隊協助。校長為敬業的資深教育家，許多中層管理人員亦在教育行業擁有豐富的經驗。部分副校長在被內部晉升至管理層前，曾擔任我們學校的教師或行政人員，深入了解我們的企業文化及管理理念。此外，我們向管理團隊提供專業管理培訓，並定期進行表現檢討及評估。我們相信，我們的管理團隊具備必要的遠見及深入的行業知識，可預測及把握市場機會，並有效地優先考慮及執行穩健的業務策略，從而令股東價值最大化。

Management Discussion and Analysis

管理層討論及分析

Growth Strategies

We intend to maintain and strengthen our leading position in the private higher education industry and private vocational education industry in South China.

We continue to make demand-driven investments in our existing schools to upgrade the school facilities to accommodate more students and enhance their educational experience. According to the Thirteenth Five-Year Plan of Development of Education in Guangdong Province (《廣東省教育發展「十三五」規劃》) (the “**Thirteenth Five-Year Plan**”), only approximately 33.02% of the college-aged population in Guangdong Province was enrolled in higher education institutions in 2015. The Thirteenth Five-Year Plan aims to further popularize higher education and increase the gross enrollment rate of higher education to 50% by 2020. In response to the Thirteenth Five-Year Plan, we have expanded the scale of our school operations and gradually increase the student enrollment in our schools. Specifically, we (i) expanded Huali College by constructing additional buildings in Zengcheng City, Guangdong Province, and establishing a new campus in Jiangmen City, Guangdong Province; (ii) expanded Huali Vocational College by constructing additional buildings in Zengcheng City and Yunfu City, Guangdong Province; (iii) applied for the establishment of a new junior college to provide higher education and vocational education as well as grant junior college diplomas accredited by the MOE by establishing a new campus in Jiangmen City, Guangdong Province. By expanding the scale of our schools, we will be able to recruit more students.

We continue to improve our profitability by optimizing our pricing strategies. During the year ended August 31, 2020, we raised the tuition fees of Huali College and Huali Vocational College for certain programs. Historically, we kept our tuition fees at levels we believe are competitive compared to our peers in order to attract more students, thereby increasing our student enrollment and market share. As we have established a strong reputation for providing quality education to our students, we believe we are in a good position to optimize our pricing without compromising our reputation and our ability to attract and retain students.

Our Schools

We operate three schools in Guangdong Province, all of which grant government-accredited degrees or certifications, including:

- Huali College: a private independent college, offering four- to five-year undergraduate programs⁽¹⁾ granting bachelor degrees accredited by the MOE;
- Huali Vocational College (including Zengcheng campus and Yunfu campus): a formal higher education institution, offering three-year vocational programs granting junior college diplomas accredited by the MOE; and

增長策略

我們致力於維持並鞏固在華南地區民辦高等教育行業及民辦職業教育行業的領先地位。

我們繼續按需求投資現有學校，以升級學校設施，容納更多學生，提升其教育體驗。根據《廣東省教育發展「十三五」規劃》(「**十三五規劃**」)，2015年廣東省僅約33.02%大學適齡人口就讀高等教育機構。十三五規劃旨在進一步普及高等教育，到2020年將高等教育的毛入學率提升至50%。為響應十三五規劃，我們已擴大學校經營規模並逐步增加學校招生人數。具體而言，我們(i)已透過在廣東省增城市建設額外樓宇及在廣東省江門市建設一個新校區，擴建華立學院；(ii)已透過在廣東省增城市及雲浮市建設額外樓宇，擴建華立職業學院；(iii)已透過在廣東省江門市建設一個新校區，用於申辦一所新的專科學校以提供高等教育及職業教育並授出教育部認可的大專文憑。透過擴大學校規模，我們將能招收更多學生。

我們繼續透過優化定價策略而提高盈利能力。於截至2020年8月31日止年度內，我們提高了華立學院及華立職業學院若干課程的學費。過往，我們的學費維持在我們認為與同行相比具競爭力的水平，以吸引更多學生，藉此增加就讀學生人數及市場份額。隨著我們因向學生提供優質教育而聲名遠揚，我們認為，我們具備有利條件，可優化定價而不損害聲譽及吸引和留住學生的能力。

我們的學校

我們於廣東省營運三所學校，均授出政府認可的學位或證書，包括：

- 華立學院：民辦獨立學院，提供四至五年本科課程⁽¹⁾，頒發教育部認可的學士學位；
- 華立職業學院(包括增城校區及雲浮校區)：學歷高等教育機構，提供三年職業課程，授出教育部認可的大專文憑；及

Management Discussion and Analysis

管理層討論及分析

- Huali Technician College (including Zengcheng campus and Yunfu campus): a private technician school primarily offering three-year, full-time vocational programs⁽²⁾ granting technician diplomas of Huali Technician College accredited by the Department of Human Resources and Social Security of Guangdong Province and short-term intensive vocational programs.

Notes:

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

Student Enrollment

As at August 31, 2020, we had an aggregate of 43,314 students⁽¹⁾ enrolled in our three schools, comprising 17,765 students at Huali College, 17,581 students at Huali Vocational College and 7,968 students at Huali Technician College.

School	學校	As at August 31, 2020 於2020年 8月31日	As at August 31, 2019 於2019年 8月31日	Change 變動	Percentage change 百分比變動
Huali College	華立學院	17,765	15,126	2,639	17.4%
Huali Vocational College	華立職業學院	17,581	18,627	(1,046)	(5.6%)
— Zengcheng campus	— 增城校區	16,531⁽²⁾	17,987 ⁽³⁾	(1,456)	(8.1%)
— Yunfu campus	— 雲浮校區	1,050	640	410	64.1%
Huali Technician College	華立技師學院	7,968	9,050	(1,082)	(12.0%)
— Zengcheng campus	— 增城校區	6,837	8,304	(1,467)	(17.7%)
— Yunfu campus	— 雲浮校區	1,131	746	385	51.6%
Total	總計	43,314	42,803	511	1.2%

Notes:

- Including 3,225 students of Huali Technician College who also take junior college courses at Huali Vocational College (the “**Continuing Education Program**”) 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. Each student participating in the Continuing Education Program is required to pay additional tuition fee of RMB3,000 to Huali Vocational College. In order to reflect such business practice, the number of students of Huali Technician College who also participate in the Continuing Education Program was included in the number of students of Huali Vocational College, and the revenue from the additional tuition fees paid for the Continuing Education Program was fully included in the revenue from tuition fees of Huali Vocational College and Huali Technician college.
- Including 3,225 students of Huali Technician College who also participate in the Continuing Education Program.
- Including 5,554 students of Huali Technician College who also participate in the Continuing Education Program.

- 華立技師學院(包括增城校區及雲浮校區): 民辦技工學校, 主要提供三年全日制職業課程⁽²⁾, 授出廣東省人力資源和社會保障廳認可的華立技師學院技師文憑, 亦提供短期強化職業課程。

附註:

- 華立學院通常提供四年制本科課程, 建築專業提供五年制本科課程。
- 華立技師學院通常提供三年制職業課程, 並為追求各種技師文憑的不同教育程度的學生提供兩年制、四年制及五年制課程。

就讀學生人數

於2020年8月31日, 我們三所學校共有43,314名在校學生⁽¹⁾, 包括華立學院17,765名學生、華立職業學院17,581名學生及華立技師學院7,968名學生。

附註:

- 其中有3,225名華立技師學院的學生亦於華立職業學院修讀大專課程(「**持續進修項目**」), 該等學生通過成人高等學校招生全國統一考試並達到其他相關要求後, 即可獲華立職業學院頒授的大專文憑。每名參加持續進修項目的學生需另交人民幣3,000元學費予華立職業學院。為反映實際業務情況, 華立技師學院中同時參加持續進修項目的學生人數計入華立職業學院的學生人數, 參加持續進修項目而另交的學費收入全部計入華立職業學院及華立技師學院的學費收入。
- 包括華立技師學院同時就讀持續進修項目的3,225名學生。
- 包括華立技師學院同時就讀持續進修項目的5,554名學生。

Management Discussion and Analysis

管理層討論及分析

Tuition Fees and Boarding Fees

For the year ended August 31, 2020, the Group's schools recorded revenue growth, which was in line with the expansion of its business and student enrollment. Revenue increased from RMB674.8 million for the year ended August 31, 2019 to RMB761.5 million for the year ended August 31, 2020. The Group typically charges students fees comprising tuition fees and boarding fees. Tuition fees remained as the Group's major revenue for the year ended August 31, 2020, accounting for approximately 96.2% of the total revenue of the Group for the year ended August 31, 2020.

The table below summarizes the amount of revenue generated from the tuition fees and boarding fees charged by the Group for the years indicated:

		Year ended August 31, 2020 截至2020年 8月31日止年度 (RMB'000) (人民幣千元)	Year ended August 31, 2019 截至2019年 8月31日止年度 (RMB'000) (人民幣千元)	Change 變動 (RMB'000) (人民幣千元)	Percentage change 百分比變動
Tuition fees	學費				
Huali College	華立學院	416,456	323,333	93,123	28.8%
Huali Vocational College	華立職業學院	223,196	203,166	20,030	9.9%
Huali Technician College	華立技師學院	93,069	103,222	(10,153)	(9.8%)
		732,721	629,721	103,000	16.4%
Boarding fees	寄宿費				
Huali College	華立學院	13,798	21,234	(7,436)	(35.0%)
Huali Vocational College	華立職業學院	9,972	15,597	(5,625)	(36.1%)
Huali Technician College	華立技師學院	4,990	8,248	(3,258)	(39.5%)
		28,760	45,079	(16,319)	(36.2%)
Total Revenue	總收入	761,481	674,800	86,681	12.8%

The increase in the total revenue of the Group for the year ended August 31, 2020 was mainly due to the increase in student enrollment and average tuition fees.

學費及寄宿費

截至2020年8月31日止年度，本集團學校錄得收入增長，與業務及就讀學生人數擴張一致。收入由截至2019年8月31日止年度的人民幣674.8百萬元，增加至截至2020年8月31日止年度的人民幣761.5百萬元。本集團一般向學生收取學費及寄宿費等費用。截至2020年8月31日止年度，學費仍為本集團主要收入，佔本集團截至2020年8月31日止年度的總收入約96.2%。

下表概述所示年度本集團收取的學費及寄宿費產生的收益金額：

本集團截至2020年8月31日止年度的總收入增加，主要是由於就讀學生人數及平均學費增加。

Management Discussion and Analysis 管理層討論及分析

The following table sets forth the information relating to student enrollment and average tuition fees per student for the financial years for each of our schools, respectively:

下表分別載列我們各學校各財政年度的就讀學生人數及每名學生平均學費的資料：

School	學校	Student Enrollment 就讀學生人數 Academic Year ⁽¹⁾ 學年 ⁽¹⁾		Average Tuition Fees per student ⁽²⁾ 每名學生平均學費 ⁽²⁾ Year Ended August 31 截至8月31日止年度	
		2019/2020	2018/2019	2020 2020年 RMB 人民幣元	2019 2019年 RMB 人民幣元
Huali College	華立學院	17,765	15,126	23,442	21,376
Huali Vocational College	華立職業學院	17,581	18,627	12,013	10,907
— Zengcheng campus	— 增城校區	16,531	17,987	—	—
— Yunfu campus	— 雲浮校區	1,050	640	—	—
Huali Technician College	華立技師學院	7,968	9,050	11,680	11,406
— Zengcheng campus	— 增城校區	6,837	8,304	—	—
— Yunfu campus	— 雲浮校區	1,131	746	—	—
Total	總計	43,314	42,803	16,916	14,712

Notes:

- (1) Except as specified otherwise in this report, we present our business operating data as at August 31 for each of the academic years.
- (2) Average tuition fees represent the revenue from tuition fees for the relevant financial year divided by the student enrollment for the corresponding academic year.

附註：

- (1) 除本報告中另有指明者外，我們呈列各學年截至8月31日的業務經營數據。
- (2) 平均學費指相關財政年度的學費收入除以相應學年的就讀學生人數。

Management Discussion and Analysis

管理層討論及分析

The following table sets out the tuition fee rates of our schools for the 2018/2019 and 2019/2020 academic years:

下表載列2018/2019及2019/2020學年我們學校的學費水平：

		Tuition fee rates ⁽¹⁾ in academic year 學年學費水平 ⁽¹⁾	
		2019/2020 (RMB'000) (人民幣千元)	2018/2019 (RMB'000) (人民幣千元)
Huali College		華立學院	
Four- to five-year undergraduate program ⁽²⁾	四至五年制本科課程 ⁽²⁾	25,500–29,500	23,000–29,000
International program	國際課程	33,500	32,000
Bilingual program	雙語課程	27,500	26,000–27,000
Huali Vocational College		華立職業學院	
Three-year junior college program	三年制大專課程	14,800–17,800	12,800–16,800
— Zengcheng campus	— 增城校區	14,800–17,800	14,800–16,800
— Yunfu campus	— 雲浮校區	14,800–17,800	12,800–14,800
International program	國際課程	23,000–28,000	28,000
Bilingual program	雙語課程	15,800–16,800	15,800–16,800
Huali Technician College		華立技師學院	
Three-year vocational program ⁽³⁾	三年制職業課程 ⁽³⁾	6,000–12,800	6,000–12,800
— Zengcheng campus	— 增城校區	8,800–12,800	8,800–12,800
— Yunfu campus	— 雲浮校區	6,000–7,500	6,000–7,500

Notes:

- (1) Tuition fee rates shown for all of our schools are applicable to students admitted in the relevant academic years 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. In addition, we offer students a dual-diploma program at Huali Technician College, 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.

During the year ended August 31, 2020, our boarding fee rates ranged from RMB600 to RMB2,800 per academic year depending on the location, room size and number of students resided in each room.

附註：

- (1) 我們所有學校的所示學費水平僅適用於相應學年招收的學生。
- (2) 華立學院通常提供四年制本科課程，建築專業提供五年制本科課程。
- (3) 華立技師學院通常提供三年制職業課程，並為追求各種技師文憑的不同教育程度的學生提供兩年制、四年制及五年制課程。此外，我們向華立技師學院的學生提供雙文憑課程，該等學生可於華立職業學院學習大專課程，通過成人高等學校招生全國統一考試並達到其他相關要求後，即可獲華立職業學院頒授大專文憑。

截至2020年8月31日止年度內，我們的寄宿費水平介乎每學年人民幣600元至人民幣2,800元不等，視乎每個房間的地點、面積及居住的學生人數而定。

School Utilization Rate

School utilization rate is calculated by dividing the number of boarding student enrollment in a particular academic year by the school capacity in the same academic year. The school capacity of each campus is calculated by the number of beds available in student dormitories. The following table sets out the school utilization rate of our schools for the 2018/2019 and 2019/2020 academic years:

		Academic year	
		學年	
		2019/2020	2018/2019
Zengcheng campus	增城校區		
School capacity	學校可容納人數	29,203	28,082
School utilization rate	學校使用率	93.0%	91.7%
Yunfu campus	雲浮校區		
School capacity	學校可容納人數	8,000	8,000
School utilization rate	學校使用率	24.5%	15.0%

學校使用率

學校使用率按特定學年的寄宿學生人數除以同一學年的學校可容納人數計算。各校區的學校可容納人數按學生宿舍可用床位數計算。下表載列2018/2019及2019/2020學年我們學校的學校使用率：

Awards and Recognitions Received During the Year

The Company and the three schools received numerous awards and recognitions during the year 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:

年內獲得的獎項及認可

年內，本公司及三所學校獲得了眾多獎項及認可，表彰我們提供的教育品質及傑出的經營成就。下表載列我們獲得的部分獎項及認可：

	Award/Recognition	Awarding Organization(s)	Awarded Entity
	獎項／認可	頒獎組織	獲獎主體
October, 2019	Outstanding Contribution Award for Guangdong Contemporary Private schools (廣東當代民辦學校突出貢獻獎)	Guangdong Education Academy (廣東教育學會), Guangdong Education Supervisory Academy (廣東教育督導學會), Guangdong Education Foundation (廣東省基金會), Guangdong Primary and Secondary Schools Moral Education Association (廣東省中小學德育研究會) and Guangdong Contemporary Private Education Management Institute (廣東當代民辦教育管理研究院)	Huali College
2019年10月	廣東當代民辦學校突出貢獻獎	廣東教育學會、廣東教育督導學會、廣東省基金會、廣東省中小學德育研究會及廣東當代民辦教育管理研究院	華立學院

Management Discussion and Analysis

管理層討論及分析

	Award/Recognition 獎項／認可	Awarding Organization(s) 頒獎組織	Awarded Entity 獲獎主體
October, 2019	Outstanding Contribution Award for Guangdong Contemporary Private schools (廣東當代民辦學校突出貢獻獎)	Guangdong Education Academy (廣東教育學會), Guangdong Education Supervisory Academy (廣東教育督導學會), Guangdong Education Foundation (廣東省基金會), Guangdong Primary and Secondary Schools Moral Education Association (廣東省中小學德育研究會) and Guangdong Contemporary Private Education Management Institute (廣東當代民辦教育管理研究院)	Huali Vocational College
2019年10月	廣東當代民辦學校突出貢獻獎	廣東教育學會、廣東教育督導學會、廣東省基金會、廣東省中小學德育研究會及廣東當代民辦教育管理研究院	華立職業學院
November, 2019	Outstanding Contribution Institution for the 40th Anniversary of Guangzhou Private Education (廣州民辦教育四十周年突出貢獻機構)	Guangzhou Private Education Association (廣州民辦教育協會)	Huali Vocational College
2019年11月	廣州民辦教育四十周年突出貢獻機構	廣州民辦教育協會	華立職業學院
December, 2019	China Industry-University-Research Cooperation Promotion Award (中國產學研合作促進獎)	China Industry-University-Research Cooperation Promotion Association (中國產學研合作促進會)	Huali Vocational College
2019年12月	中國產學研合作促進獎	中國產學研合作促進會	華立職業學院
December, 2019	Top Schools with the Highest Job Satisfaction (最具就業滿意度名校)	Secondary School Students' Newspaper (中學生報)	Huali Vocational College
2019年12月	最具就業滿意度名校	中學生報	華立職業學院
January, 2020	Advanced Unit of Vocational Capacity Construction in Guangdong Province in 2019 (2019年度廣東省職業能力建設先進單位)	Guangdong Vocational Capacity Construction Association (廣東省職業能力建設協會)	Huali Technician College
2020年1月	2019年度廣東省職業能力建設先進單位	廣東省職業能力建設協會	華立技師學院

OUTLOOK

(i) Expand the Group's school network through strategic mergers and acquisitions

The Group will seek mergers and acquisitions of: (1) private regular undergraduate institutions; (2) independent colleges which meet the acquisition requirements; and (3) high-quality regular junior colleges which focus on applied science, target to cultivate applied science talents and have the potential of upgrading to undergraduate institutions. In the coming years, we will focus on identifying the opportunities for mergers and acquisitions to expand our business portfolio in China and abroad.

The Group has established a professional merger and acquisition team consisting of experienced financial and legal personnel and professionals who are familiar with the education business. For geographical coverage, the Group will continue to focus on expanding its school network in Guangdong Province and consolidating its leading position in the Pearl River Delta, while seeking high-quality targets in provinces with a relatively developed economy and a larger population. In view of the national strategy of "Made in China 2025" issued by the State Council in 2015 to promote the development of manufacturing industries in the next 10 years, as well as the national development strategy of "Guangdong-Hong Kong-Macau Greater Bay Area" (《粵港澳大灣區》) issued in 2019 aiming to deepen the cooperation among Guangdong Province, Hong Kong and the Macau Special Administrative Region and promote the coordinated economic growth in these areas, Guangdong Province is experiencing enormous growth opportunities. The Group will seize its significant geographical advantage of Guangdong Province as a manufacturing center and meet the strong local demand for professional talents. We will also explore opportunities for expansion in South China and Southwest China where there is a relative scarcity of higher education resources than other regions in China with strong market potential. The Group's management team will leverage its extensive experience to further increase the competitiveness in student admission and graduate employment for the newly acquired schools, thus allowing the Group to achieve business growth. The Group aims to enhance education quality by applying its applied science-focused and practice-oriented teaching methodologies as well as offering market-focused major offerings and practical job-oriented curricula in the newly acquired schools. With respect to graduate employment, the Group plans to share its employment information and resources as well as extensive school-enterprise relationships with the newly acquired schools. The Group will also implement centralized management over its entire school network, optimize pricing strategy and lower the operating costs of the newly acquired schools.

展望

(i) 透過戰略併購拓寬本集團學校網絡覆蓋

本集團的併購目標將為：(1)民辦普通本科院校；(2)符合收購條件的獨立學院；及(3)專注於應用科學為重點、培育應用類人才及有升本潛力的優秀普通專科學校。未來幾年，我們將專注於物色併購機遇，以擴大我們在全國甚至海外的業務組合。

本集團已組建了一支專業的併購團隊，由經驗豐富的財務、法務及熟悉教育業務的專業人士組成。就地區覆蓋而言，本集團將繼續專注於擴大廣東省內的學校網絡及鞏固其於珠江三角洲的領先地位，同時尋求於經濟較發達及人口規模大的省份內的優質目標。因應2015年國務院為推動中國未來10年製造業發展而頒佈的「中國製造2025」全國戰略和2019年為深化廣東省、香港與澳門特別行政區的合作及推動區域經濟協調發展的「粵港澳大灣區」國家發展戰略，廣東省將有巨大增長機遇。本集團將把握廣東省作為製造業中心顯著的地理優勢及當地對專業人才的強勁需求。同時，我們亦將於高等教育資源相對稀缺的華南及中國西南部以及具備市場潛力的中國其他地區探尋擴充機會。本集團管理團隊將利用其豐富經驗進一步提升新收購學校的招生競爭力以及促進畢業生就業，從而實現業務增長。本集團計劃透過將以應用科學為重點、實踐為導向的教學方法及以職場為重點、面向工作的實用性專業和課程設置移植到所收購學校，從而改善教育品質。就畢業生就業而言，本集團計劃與新收購學校共用就業資訊及資源以及廣泛的校企關係。本集團亦將於整個學校網絡實施集中管理，優化定價策略及降低新收購學校的辦學成本。

Management Discussion and Analysis

管理層討論及分析

(ii) Expand existing campuses and construct new campuses

The Group will increase student enrollment through expanding the business operations in its existing schools and further expanding its school networks in both China and abroad. The Group will continue to make demand-driven investments in its existing schools, improve and acquire school facilities, improve the education quality of schools, and expand the enrollment scale of colleges.

The expansion of the Zengcheng campus of Huali College, which is expected to be put into use in the first half of 2021, will increase the school capacity by over 2,200 students.

With regard to the construction work of the new campus of Huali Technician College in Jiangmen City, the first phase is expected to be completed in the first half of 2021 and the new campus is expected to accommodate approximately 8,100 students.

In order to capture the business opportunities arising from the increase in student enrollment as a result of the Thirteenth Five-Year Plan to increase gross enrollment in education, the Group has entered into a non-binding agreement with the Jiangmen Xinhui District Government, which will provide up to 1,258 mu (畝) (equivalent to approximately 5,090,945 sq. m.) of land to the Group to build a new campus for Huali College, which is expected to accommodate 25,000 students. The construction of the campus is divided into three stages. The first stage is divided into two phases; the first phase is expected to be completed in the first half of 2021 and is expected to accommodate about 4,100 students, while the second phase is expected to be completed in 2022 and is expected to accommodate about 6,200 students.

The Group plans to use part of the proceeds from the Listing, supplemented by its operating capital, for its expansion and construction projects.

(iii) Further optimize the pricing of tuition fees and boarding fees and diversify revenue sources

(1) Optimize the pricing of tuition fees and boarding fees

The Group will modestly raise its tuition fees and boarding fees for the 2020/2021 academic year to reflect the changes in market demand, its increasing operating costs and the adjustment of its curriculum offerings. The Group believes that its leading position and established reputation will enable it to further increase its tuition fees while maintaining competitiveness in student admission.

(ii) 擴張現有校區及建設新校區

本集團將透過擴大現有學校的業務經營及進一步擴大中國及海外的學校網絡，增加就讀學生人數。本集團將繼續在現有學校按需求進行投資，改善及購置學校設施，提高學校教學品質，並擴大大學院招生規模。

華立學院增城校區的擴張預計於2021年上半年投入使用，將令學校可容納人數增加逾2,200名學生。

就華立技師學院在江門市的新校區建設而言，第一期預計於2021年上半年完成，新校區預計可容納約8,100學生。

為把握就讀學生人數因十三五規劃提高教育毛入學率的目標而增加所帶來的商機，本集團已與江門市新會區政府訂立一份不具約束力的協議，其將向本集團提供最多1,258畝（相當於約5,090,945平方米）土地建設華立學院新校區，該校區預計可容納25,000名學生。該校區的建設分為三個階段。第一階段分為兩期：第一期預計於2021年上半年完成，預計可容納約4,100名學生，而第二期預計於2022年完成，預計可容納約6,200名學生。

本集團計劃將上市所得款項的一部分（輔以其營運資金）用於相關擴張及建設項目。

(iii) 進一步優化學費及寄宿費定價及實現收入來源多元化

(1) 優化學費及寄宿費定價

本集團將於2020/2021學年適當上調學費及寄宿費，以反映市場需求變化、營運成本增加及課程設置調整。本集團相信其領先地位及良好聲譽讓其在進一步上調學費的同時維持招生競爭力。

(2) Diversify revenue sources

The Group's revenue is currently mainly derived from tuition fees and boarding fees from its education business. In order to diversify its revenue sources, the Group will cooperate with professional institutions to expand its vocational qualification and skill training business, thereby gradually improving the contribution of such business to the Group's revenue. By adapting to the educational needs in the market, the Group will provide diversified education services and products to benefit more students and strive to build a well-known brand recognition and reputation. The Group's various plans are currently in steady progress and the Group will disclose the relevant details in due course.

RECENT DEVELOPMENTS OF REGULATORY FRAMEWORK

Classification Registration

Our business is regulated by, among others, the Law for Promoting Private Education of the PRC. On November 7, 2016, the Decision on Amending the Law for Promoting Private Education of the PRC (Order of the President of the PRC No. 55) (關於修改《中華人民共和國民辦教育促進法》的決定) (中華人民共和國主席令第55號) (the "Amendment") was promulgated. The Amendment came into force on September 1, 2017. The Amendment establishes a new classification system for private schools to be classified by whether they are established and operated for profit-making purposes, and the sponsors of private schools may at their own discretion choose to establish non-profit or for-profit private schools.

According to the Implementing Measures on Classification Registration of Private Schools (《民辦學校分類登記實施細則》) (December 30, 2016), if an existing private school chooses to register as a non-profit private school, it shall amend its articles of association in accordance with the relevant laws, continue its school operation and complete new registration formalities. If an existing private school chooses to register as a for-profit private school, it shall make financial settlement of books of account, clarify the ownership of the schools' land, buildings and accumulations with the consent of the relevant departments of the people's governments at or below the provincial level, pay relevant taxes and fees, obtain new school operation licenses, apply for re-registration and continue the school operations.

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. The Guangdong government has promulgated implementation regulations under the Amendment, including the Implementation Opinions of the Government of Guangdong Province on Encouraging the Operation of Education by Social Forces and Promoting the Healthy Development of Private Education (《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》) promulgated by the Government

(2) 實現收入來源多元化

本集團目前的收入來源以教育業務的學費和寄宿費為主。為實現收入來源多元化，本集團將與專業機構進行合作，拓寬職業資格技能培訓業務，逐步提高該等業務對本集團收入的貢獻度。本集團將透過匹配市場上的教育需求，提供多元化教育服務產品，讓更多的學員受益，極力推進建立知名的品牌及聲譽。目前本集團的各項計劃均在穩步推進中，本集團會適時就相關事項作出披露。

監管框架的近期發展

分類登記

我們的業務受(其中包括)《中華人民共和國民辦教育促進法》規管。關於修改《中華人民共和國民辦教育促進法》的決定(中華人民共和國主席令第55號)(「修正案」)於2016年11月7日頒佈並於2017年9月1日生效。修正案建立全新的民辦學校分類制度，基於是否為營利而成立及營運而分類，民辦學校舉辦人可自行選擇成立非營利性或營利性民辦學校。

根據《民辦學校分類登記實施細則》(2016年12月30日)，現有民辦學校選擇登記為非營利性民辦學校的，應當依法修改學校章程，繼續辦學，履行新的登記手續。現有民辦學校選擇登記為營利性民辦學校的，應當進行財務清算，經省級以下人民政府有關部門和相關機構依法明確土地、校舍、辦學積累等財產的權屬並繳納相關稅費，辦理新的辦學許可證，重新登記，繼續辦學。

修正案並未訂明與現有學校如何選擇成為營利性民辦學校有關的具體措施，根據修正案，營利性民辦學校受地方政府部門頒佈的相關法律及法規規管。廣東政府已根據修正案頒佈若干實施條例，包括廣東省政府於2018年4月24日頒佈的《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》，廣東省教育廳、廣東省人力資源和社會保障廳、廣東省市場監督管理局聯合頒

Management Discussion and Analysis

管理層討論及分析

of Guangdong Province on April 24, 2018, the Implementation Measures for the Supervision and Administration of For-Profit Private Schools (《關於營利性民辦學校監督管理實施辦法》), which were issued jointly by the Department of Education of Guangdong Province, Department of Human Resources and Social Security of Guangdong Province and Department of Market Supervision and Administration of Guangdong Province and came into effect on December 30, 2018, and the Implementation Measures on Classification Registration of Private Schools (《關於民辦學校分類登記實施辦法》), which were issued jointly by the Department of Education of Guangdong Province, Department of Human Resources and Social Security of Guangdong Province, Department of Civil Affairs of Guangdong Province, Guangdong Provincial Committee of the Communist Party of China Organization Committee Office and Department of Market Supervision and Administration of Guangdong Province and came into effect on December 30, 2018.

The above local regulations provide a framework procedure for the classification and registration of existing private schools in relevant provinces as for-profit private schools or non-profit private schools, but do not further specify the process of classification and registration, for example, (i) when should we notify the relevant authorities regarding our decision for our schools to be for-profit or non-profit schools; (ii) the preferential tax treatments that may be enjoyed by a for-profit school or a non-profit school, respectively; (iii) whether respective public funding can be obtained by a for-profit school and a non-profit school; and (iv) respective costs for a for-profit and non-profit school to obtain land use rights.

Under the existing regulatory environment and based on the current interpretation of the Amendment and the relevant implementing regulations, we intend to register our three schools as for-profit private schools subject to the further detailed local rules and regulations regarding the conversion of existing schools as and when promulgated and brought into effect by relevant local government authorities.

There are uncertainties regarding the interpretation and application of the Amendment with respect to various aspects of the operations of private schools, such as the respective preferential tax treatment which may be enjoyed by for-profit private schools and non-profit private schools. Accordingly, as of the date of this report, we were not able to fully evaluate or quantify the potential impact that the implementation of the Amendment may have on our business operations.

The MOJ Draft for Comments

On August 10, 2018, the MOJ issued the MOJ Draft for Comments, namely the Draft Revision of the Implementation Rules for the Law for Promoting Private Education of the PRC (the Draft for Examination and Approval) (《中華人民共和國民辦教育促進法實施條例(修訂草案)(送審稿)》), to seek for public comments.

佈並於2018年12月30日生效的《關於營利性民辦學校監督管理實施辦法》, 以及廣東省教育廳、廣東省人力資源和社會保障廳、廣東省民政廳、中共廣東省委機構編製委員會辦公室及廣東省市場監督管理局聯合發佈並於2018年12月30日生效的《關於民辦學校分類登記實施辦法》。

上述地方性法規規定了有關省份現有民辦學校分類和註冊為營利性民辦學校或非營利性民辦學校的框架程序, 但未進一步具體說明分類和註冊的過程, 例如(i)我們應於何時就我們的學校成為營利性學校或非營利性學校的決定通知相關部門; (ii)營利性學校或非營利性學校各自可享有的優惠稅收待遇; (iii)營利性學校及非營利性學校是否可取得公眾資金; 及(iv)營利性學校及非營利性學校取得土地使用權的相關成本。

根據現時監管環境及按修正案的現有詮釋以及相關實施條例, 待有關地方政府部門頒佈並實施有關轉設現有學校的詳細地方規則及條例後, 我們擬將三所學校註冊為營利性民辦學校。

修正案在民辦學校運營多個方面的詮釋及應用仍不確定, 例如營利性民辦學校及非營利性民辦學校分別可享受的稅收優惠待遇。因此, 截至本報告日期, 我們無法全面評估或確定實施修正案對我們的業務營運可能造成的潛在影響。

司法部徵求意見稿

於2018年8月10日, 司法部發佈司法部徵求意見稿(即《中華人民共和國民辦教育促進法實施條例(修訂草案)(送審稿)》), 徵求公眾意見。

Management Discussion and Analysis 管理層討論及分析

Based on our current understanding and interpretation of the MOJ Draft for Comments as well as interviews with competent authorities, there would not be any substantive implications for the legal framework of any of our PRC Operation Entities. As disclosed in “Management Discussion and Analysis — Recent Developments of Regulatory Framework — Classification Registration” in this annual report, we intend to register our three schools as for-profit private schools in light of the Amendment and the relevant implementing regulations in effect. If the MOJ Draft for Comments is promulgated in its current form, we may be required to increase the registered capital of both of Huali College and Huali Vocational College to not less than RMB200 million each. We may be required to increase the registered capital of Huali Technician College to not less than RMB10 million if Huali Technician College is identified as “other formal education” by relevant government authorities. As of the date of this report, both Huali College and Huali Vocational College had a registered capital of RMB10 million and Huali Technician College had a registered capital of RMB500,000. We plan to use our internal resources to fund such capital increases if required, which could be a combination of the available reserves of our schools and/or capital injections by the School Sponsor backed by cash and banking facilities available to us. We consider that the amount required to increase the registered capital of each of Huali College and Huali Vocational College to RMB200 million and the registered capital of Huali Technician College to RMB10 million would not materially adversely affect the financial position of our Group.

Pursuant to the MOJ Draft for Comments, public schools shall not sponsor or participate in sponsoring for-profit private schools while public schools are permitted to sponsor or participate in sponsoring non-profit private schools, subject to approval from the competent authorities. If the MOJ Draft for Comment is promulgated in the current form, we plan to terminate the Cooperation Agreements currently in effect and convert Huali College from a private independent college into a stand-alone private university (not affiliated with the public school), subject to MOE approval, and comply with the local implementation rules. In addition, we may incur additional costs in order to fulfill the requirements for converting Huali College into a stand-alone private university. Please refer to the section headed “Business — The Amendment of the Law for Promoting Private Education of the PRC and the MOJ Draft for Comments — The MOJ Draft for Comments — Implications for Huali College” in the Prospectus for further details.

In addition, The MOJ Draft for Comments may have certain implications for our expansion strategy through acquisition. Our acquisition may be limited to for-profit private schools only.

基於我們目前對司法部徵求意見稿的理解與詮釋以及與主管機構的面談，任何中國營運實體的法律框架不會受到重大影響。誠如本年報中「管理層討論及分析 — 監管框架的近期發展 — 分類登記」所披露，鑒於修正案及現行的相關實施條例，我們計劃將三所學校註冊為營利性民辦學校。倘司法部徵求意見稿以現有形式發佈，我們或須增加華立學院及華立職業學院各自的註冊資本至不少於人民幣200百萬元。倘相關政府部門認定華立技師學院為「其他學歷教育」，則我們或須增加華立技師學院的註冊資本至不低於人民幣10百萬元。截至本報告日期，華立學院及華立職業學院的註冊資本均為人民幣10百萬元，而華立技師學院的註冊資本為人民幣500,000元。我們擬按使用內部資源撥付該等增資，可能動用學校的可用儲備及／或由我們的可用現金及銀行信貸支持的學校舉辦人注資。我們認為，增加華立學院及華立職業學院各自的註冊資本至人民幣200百萬元以及增加華立技師學院的註冊資本至人民幣10百萬元所需金額，不會對本集團的財務狀況產生重大不利影響。

根據司法部徵求意見稿，公立學校不得舉辦或參與舉辦營利性民辦學校，但可舉辦或參與舉辦非營利性民辦學校，惟須獲得主管部門批准。倘司法部徵求意見稿以目前形式頒佈，我們計劃終止目前有效的合作協議，並在經教育部批准後將華立學院由民辦獨立學院轉設為獨立民辦大學（不附屬於公立大學），同時須符合地方實施條例的規定。此外，我們或會因滿足將華立學院轉設為獨立民辦大學的需求而產生額外成本。更多詳情請參閱招股章程「業務 — 《中華人民共和國民辦教育促進法》修正案及司法部徵求意見稿 — 司法部徵求意見稿 — 對華立學院的影響」一節。

此外，司法部徵求意見稿或對我們透過收購而擴張的策略有一定影響。我們的收購可能僅限於營利性民辦學校。

Management Discussion and Analysis

管理層討論及分析

However, there are still uncertainties as to whether the MOJ Draft for Comments will be adopted in its current form and how it will be interpreted and implemented. We cannot predict with confidence the impact of the laws or regulations related to the implementation of the Private Education Promotion Law of the PRC on our business, financial condition and results of operations (if any) in the future at this stage. As confirmed by our PRC legal advisors, the Company hereby informs shareholders and investors that the MOJ Draft for Comments is still in the negotiation stage and has not been issued or implemented in China. The Company will continue to follow up the development of the MOJ Draft for Comments and relevant laws and regulations.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly represents income derived from tuition fees and boarding fees for the education services provided by the PRC Operating Entities. For the year ended August 31, 2020, the Group's revenue was approximately RMB761.5 million, representing an increase of approximately 12.8% from approximately RMB674.8 million for the year ended August 31, 2019, which was attributable to the increase in student enrollment and average tuition fees during the year.

Cost of Sales

Cost of sales consists primarily of teaching staff costs, depreciation and amortization, joint tuition support fees, school consumable, property management fee, equipment maintenance fee, utilities expenses, and others. For the year ended August 31, 2020, the Group's cost of sales amounted to approximately RMB308.9 million, representing an increase of approximately 0.6% from approximately RMB307.0 million for the year ended August 31, 2019.

Gross Profit and Gross Profit Ratio

For the year ended August 31, 2020, the Group recorded a gross profit of approximately RMB452.6 million, representing an increase of approximately 23.1% from approximately RMB367.8 million for the year ended August 31, 2019. For the year ended August 31, 2020, the Group achieved a gross profit ratio of 59.4%, up by approximately 4.9% as compared to the year ended August 31, 2019. The growth was mainly attributable to the increase in average tuition fees and number of students, as well as various cost control initiatives implemented during the year.

Selling Expenses

Selling expenses, primarily consisting of marketing staff costs, promotion expenses and other expenses, increased by approximately 16.5% from approximately RMB13.3 million for the year ended August 31, 2019 to approximately RMB15.5 million for the year ended August 31, 2020, which was due to an increase in promotion expenses to increase student enrollment for the 2019/2020 academic year.

然而，司法部徵求意見稿是否會以現有形式獲採納及其將如何解釋與執行，仍然存在不確定性。目前我們無法自信地預測有關實施《中華人民共和國民辦教育促進法》的法律或法規對我們未來的業務、財務狀況及經營業績的影響(如有)。經我們的中國法律顧問確認，本公司謹此通知股東及投資者，司法部徵求意見稿仍然處於協商階段，尚未在中國頒佈或實施。本公司將繼續跟進司法部徵求意見稿及相關法律法規的發展。

財務回顧

收入

本集團的收入主要為來自中國營運實體提供的教育服務的學費及寄宿費的收入。截至2020年8月31日止年度，本集團的收入約人民幣761.5百萬元，較截至2019年8月31日止年度約人民幣674.8百萬元增加約12.8%，乃由於年內就讀學生人數及平均學費均有所增加。

銷售成本

銷售成本主要包括教職工開支、折舊及攤銷、管理費、學校消耗品、物業管理費、設備維護費、公用服務開支及其他。截至2020年8月31日止年度，本集團的銷售成本約人民幣308.9百萬元，較截至2019年8月31日止年度約人民幣307.0百萬元增加約0.6%。

毛利及毛利率

截至2020年8月31日止年度，本集團錄得毛利約人民幣452.6百萬元，較截至2019年8月31日止年度約人民幣367.8百萬元增加約23.1%。截至2020年8月31日止年度，本集團實現毛利率59.4%，較截至2019年8月31日止年度上升約4.9%。增加主要得益於平均學費及就讀學生人數增加，以及年內實施多種成本控制措施。

銷售開支

銷售開支主要包括有關營銷人員的僱員開支、推廣開支及其他開支，由截至2019年8月31日止年度約人民幣13.3百萬元，增加約16.5%至截至2020年8月31日止年度約人民幣15.5百萬元，乃由於推廣開支增加，以增加2019/2020學年的就讀學生人數。

Administrative Expenses

Administrative expenses primarily consist of administrative staff costs, traveling and entertainment expenses, depreciation of property, plant and equipment relating to office buildings, office expenses, utilities expenses, listing expenses, auditor's remunerations and other miscellaneous expenses. Administrative expenses increased by approximately 5.6%, from approximately RMB93.8 million for the year ended August 31, 2019 to approximately RMB99.1 million for the year ended August 31, 2020.

Other Income

Other income consists primarily of government subsidies, rental income, and interest income on other financial assets at amortized cost. For the year ended August 31, 2020, the Group recorded other income of approximately RMB19.6 million, representing an increase of approximately 83.3% from approximately RMB10.7 million for the year ended August 31, 2019. The increase in other income was mainly attributable to the increase in government subsidies for the year ended August 31, 2020.

Other Gains and Losses

Other gains and losses consist primarily of net foreign exchange losses, losses on disposals of property, plant and equipment, gain from changes in fair value of investment properties and others. For the year ended August 31, 2020, the Group's other losses amounted to approximately RMB3.3 million, representing a decrease of approximately 305.7% as compared to other gains of approximately RMB1.6 million for the year ended August 31, 2019. The decrease was mainly attributable to the net foreign exchange losses of approximately RMB5.5 million which was a result of translating Hong Kong dollars to the appreciated RMB during the year.

Finance Expenses — Net

The Group's finance expenses — net include interest expenses on bank borrowings (after deducting the amounts capitalized in the cost of property, plant and equipment) and interest income generated from bank deposits. For the year ended August 31, 2020, the Group recorded finance expenses of approximately RMB51.7 million, representing an increase of approximately 10.4% as compared to approximately RMB46.8 million for the year ended August 31, 2019, which was mainly attributable to new bank borrowings raised over the past year. The increase in finance income from approximately RMB0.9 million for the year ended August 31, 2019 to approximately RMB8.3 million for the year ended August 31, 2020 was mainly attributable to the increase in bank interest income generated from the net proceeds of the Listing.

行政開支

行政開支主要包括有關行政人員的僱員開支、差旅及娛樂開支、有關辦公大樓的物業、廠房及設備折舊、辦公室開支、公用服務開支、上市開支、核數師酬金以及其他雜項開支。行政開支由截至2019年8月31日止年度約人民幣93.8百萬元，增加約5.6%至截至2020年8月31日止年度約人民幣99.1百萬元。

其他收入

其他收入主要包括政府補貼、租金收入及按攤餘成本入賬的其他金融資產的利息收入。截至2020年8月31日止年度，本集團錄得其他收入約人民幣19.6百萬元，較截至2019年8月31日止年度約人民幣10.7百萬元增加約83.3%。其他收入增加主要是由於截至2020年8月31日止年度的政府補貼增加。

其他收益及虧損

其他收益及虧損主要包括匯兌虧損淨額、出售物業、廠房及設備的虧損、投資物業公平值變動收益及其他。截至2020年8月31日止年度，本集團的其他虧損約人民幣3.3百萬元，較截至2019年8月31日止年度的其他收益約人民幣1.6百萬元減少約305.7%。減少主要是由於年內人民幣兌港元升值，導致匯兌虧損淨額約人民幣5.5百萬元。

財務開支淨額

本集團的財務開支淨額包括銀行借款利息開支（扣除已資本化入物業、廠房及設備成本的金額後）及銀行存款產生的利息收入。截至2020年8月31日止年度，本集團錄得財務開支約人民幣51.7百萬元，較截至2019年8月31日止年度約人民幣46.8百萬元增加約10.4%，主要由於去年籌集的新銀行借款。財務收入由截至2019年8月31日止年度約人民幣0.9百萬元，增加至截至2020年8月31日止年度約人民幣8.3百萬元，主要是由於上市所得款項淨額產生的銀行利息收入增加。

Management Discussion and Analysis

管理層討論及分析

Profit Before Taxation

For the year ended August 31, 2020, the Group recorded a profit before taxation of approximately RMB310.9 million, representing an increase of approximately 37.0% from approximately RMB227.0 million for the year ended August 31, 2019. The increase in profit before taxation was mainly attributable to (i) the increase in student enrollment; (ii) the increase in average tuition fee with respect to certain major offerings for newly enrolled students for the 2018/2019 academic year; and (iii) various cost control initiatives implemented during the year.

Taxation

For the year ended August 31, 2020, the Group recorded a taxation of approximately RMB4.3 million, representing an increase of approximately 8.0% from approximately RMB4.0 million for the year ended August 31, 2019. As at August 31, 2020, the Group did not have any taxation-related disputes with any authorities, or any other unresolved taxation issues. The increase was mainly attributable to (i) the increase in current tax on profit for the year as a result of the increase in taxable income; and (ii) the decrease in deferred income tax as a result of the decrease in the revaluation gains of investment properties.

Adjusted Net Profit

For the year ended August 31, 2020, adjusted net profit is calculated by adjusting profit for the year of approximately RMB306.7 million (year ended August 31, 2019: approximately RMB223.1 million) for the effect of discounted interest on the amount due to the related parties of approximately RMB15.9 million (year ended August 31, 2019: approximately RMB22.9 million), listing expenses of approximately RMB12.5 million (year ended August 31, 2019: approximately RMB10.7 million), revaluation gains on the investment property of approximately RMB2.8 million (year ended August 31, 2019: approximately RMB3.2 million) and net foreign exchange gain or loss of approximately RMB5.5 million (year ended August 31, 2019: nil). The Group's adjusted net profit increased by approximately 33.3% from approximately RMB253.4 million for the year ended August 31, 2019 to approximately RMB337.7 million for the year ended August 31, 2020.

Property, Plant and Equipment

As at August 31, 2020, the Group's property, plant and equipment amounted to approximately RMB2,805.1 million, representing an increase of approximately 8.0% from approximately RMB2,598.5 million as at August 31, 2019. Such an increase was a result of the construction of new teaching buildings at the Zengcheng campus of Huali College during the year.

稅前利潤

截至2020年8月31日止年度，本集團錄得稅前利潤約人民幣310.9百萬元，較截至2019年8月31日止年度約人民幣227.0百萬元增加約37.0%。稅前利潤增加主要是由於：(i)就讀學生人數增加；(ii)2018/2019學年若干專業新招收學生的平均學費上升；及(iii)年內實施多項成本控制措施。

稅項

截至2020年8月31日止年度，本集團錄得稅項約人民幣4.3百萬元，較截至2019年8月31日止年度約人民幣4.0百萬元增加約8.0%。於2020年8月31日，本集團並無與任何政府部門存在任何稅務相關爭議，亦無任何其他未解決的稅務問題。增加的主要原因是：(i)年內利潤的當期稅項因應課稅收入增加而增加；及(ii)遞延所得稅因投資物業重估收益減少而減少。

經調整純利

截至2020年8月31日止年度，經調整純利按就應付關聯方款項的已貼現利息約人民幣15.9百萬元(截至2019年8月31日止年度：約人民幣22.9百萬元)、上市開支約人民幣12.5百萬元(截至2019年8月31日止年度：約人民幣10.7百萬元)、投資物業重估收益約人民幣2.8百萬元(截至2019年8月31日止年度：約人民幣3.2百萬元)及匯兌收益或虧損淨額約人民幣5.5百萬元(截至2019年8月31日止年度：無)的影響調整年內利潤約人民幣306.7百萬元(截至2019年8月31日止年度：約人民幣223.1百萬元)計算。本集團的經調整純利由截至2019年8月31日止年度約人民幣253.4百萬元，增加約33.3%至截至2020年8月31日止年度約人民幣337.7百萬元。

物業、廠房及設備

於2020年8月31日，本集團的物業、廠房及設備約人民幣2,805.1百萬元，較於2019年8月31日約人民幣2,598.5百萬元增加約8.0%。該增加乃由於年內建設華立學院增城校區的新教學樓。

Capital Expenditure

For the year ended August 31, 2020, the Group recorded capital expenditure of approximately RMB340.5 million, representing a decrease of approximately 57.6% from approximately RMB803.2 million for the year ended August 31, 2019, which was mainly attributable to the costs incurred for the construction of new school premises, maintaining and enhancing the existing school premises and the acquisition of land for education purpose.

Bank Balances and Cash

As at August 31, 2020, the Group's bank balances and cash were approximately RMB865.1 million, representing an increase of approximately 90.7% from approximately RMB453.6 million for the year ended August 31, 2019. The increase was mainly attributable to the net proceeds of the Listing raised during the year, which amounted to approximately RMB850.9 million.

Liquidity, Financial Resources and Gearing Ratio

As at August 31, 2020, the Group had liquid funds (representing bank balances, cash and financial assets at amortized cost) of approximately RMB871.4 million (August 31, 2019: RMB453.6 million) and bank borrowings of approximately RMB1,767.9 million (August 31, 2019: RMB1,079.3 million).

The Group's gearing ratio as at August 31, 2020, represented by bank borrowings and amounts due to related parties as shown in the consolidated balance sheet as a percentage of total equity, was 67% (August 31, 2019: 109%).

Foreign Exchange Risk Management

In respect of the Group's operations in the PRC, the major revenue and expenses are denominated in RMB. The Group has certain monetary assets and liabilities that are denominated in Hong Kong dollars and United States dollars, which will expose the Group to foreign exchange risk. The Group does not currently have a foreign currency hedging policy. However, the Group's management will closely monitor the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals for the year ended August 31, 2020.

資本開支

截至2020年8月31日止年度，本集團錄得資本開支約人民幣340.5百萬元，較截至2019年8月31日止年度約人民幣803.2百萬元減少約57.6%，主要由於建造新校舍、維護及改善現有校舍及收購教育用地產生的成本。

銀行結餘及現金

於2020年8月31日，本集團的銀行結餘及現金約人民幣865.1百萬元，較截至2019年8月31日止年度約人民幣453.6百萬元增加約90.7%。增加主要是由於年內籌集的上市所得款項淨額約人民幣850.9百萬元。

流動資金、財務資源及負債比率

於2020年8月31日，本集團的流動資金（為銀行結餘、現金及按攤餘成本入賬的金融資產）約人民幣871.4百萬元（2019年8月31日：人民幣453.6百萬元），銀行借款約人民幣1,767.9百萬元（2019年8月31日：人民幣1,079.3百萬元）。

本集團於2020年8月31日的負債比率（以合併資產負債表所示銀行借款及應付關聯方款項佔總權益的百分比表示）為67%（2019年8月31日：109%）。

外匯風險管理

就本集團於中國的業務而言，主要收入及開支以人民幣計值。本集團有若干貨幣資產及負債以港元及美元計值，令本集團承受外匯風險。本集團現時並無外幣對沖政策。然而，本集團管理層將密切監察本集團的外匯風險，並將在有需要時考慮對沖重大外幣風險。

重大收購及出售

截至2020年8月31日止年度，本集團並無任何重大收購或出售。

Management Discussion and Analysis

管理層討論及分析

Charge on the Group's Assets

As at August 31, 2020, the Group pledged its rights to receive tuition fees and boarding fees as security for certain banking facilities granted to the Group.

Save as disclosed above, there was no other material charge on the Group's assets as at August 31, 2020.

Contingent Liabilities

On May 24, 2020, a group entity was accused by an independent third party, who claimed itself to be a tenant of the properties on the land in Jiangmen City acquired by the Group in January 2019, for a compensation of RMB11,205,000 for the damage of its properties caused by the Group during the process of clearing the land. According to the order from the court, the Group's bank deposits of RMB11,205,000 have been frozen as a guarantee of execution of potential claim in respect of the case. Up to the date of this report, this case was awaiting for trial. The Directors are of the view that the probability of paying such compensation is low based on the information available up to the date of this report and by reference to the legal advice provided by the Company's PRC legal adviser. Thus, no provision has been made in the Group's consolidated financial statements as at August 31, 2020.

Except for the aforementioned lawsuit, as at August 31, 2020, the Group was not involved in any other material lawsuit, arbitration or administrative proceedings which the Group expects would materially and adversely affect its financial position or results of operations.

本集團資產抵押

於2020年8月31日，本集團已將其收取學費及寄宿費的權利抵押，作為授予本集團的若干銀行融資的擔保。

除上文所披露者外，於2020年8月31日，本集團並無抵押其他重大資產。

或然負債

於2020年5月24日，一間集團實體被一名獨立第三方指控，該第三方聲稱為本集團於2019年1月收購的江門市土地上物業的租戶，要求就本集團在清理土地過程中造成的其財產損失賠償人民幣11,205,000元。根據法院命令，本集團人民幣11,205,000元的銀行存款被凍結，作為執行有關該案件的潛在索償的擔保。截至本報告日期，該案件正在等待審理。根據截至本報告日期可得的資料及參考本公司中國法律顧問提供的法律意見，董事認為，支付該賠償的可能性較低。因此，並無於本集團於2020年8月31日的合併財務報表中作出撥備。

除上述訴訟外，於2020年8月31日，本集團並未牽涉本集團預計會對其財務狀況或經營業績造成重大不利影響的任何其他重大訴訟、仲裁或行政程序。

Directors and Senior Management 董事及高級管理層

As at the date of this report, our Board consists of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors.

EXECUTIVE DIRECTORS

Mr. ZHANG Zhifeng, aged 54, is the founder of our Group. He was first appointed as the first Director on May 24, 2016 and was redesignated as the chairman of the Board and an executive Director on December 18, 2017. Mr. Zhang was also appointed as the chairman of the Nomination Committee on August 16, 2019. He is primarily responsible for the overall management and strategic development of the Group.

In addition to his contribution to the Group, Mr. Zhang was a member of the 8th and 9th Zengcheng City Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議增城市第八屆、第九屆委員會) and a special committee member of the 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆廣東省委員會). Mr. Zhang was awarded "Special Contribution Award for Private Education of the 70th Anniversary of the Founding of the People's Republic of China" (建國70週年民辦教育特殊貢獻獎) by the Institute of Educational Chinese Academy of Management Science (中國管理科學研究院教育科學研究所) and China Academy of Management Science Advisory Department (中國管理科學研究院諮詢部) in April 2019.

Mr. Zhang's dedication to education has been well recognized. The following sets out the awards received by him:

於本報告日期，本公司董事會由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。

執行董事

張智峰先生，54歲，為本集團創辦人，於2016年5月24日首次獲委任為首位董事，於2017年12月18日調任董事長兼執行董事。張先生亦於2019年8月16日獲委任為提名委員會主席，主要負責本集團的整體管理及策略發展。

除對本集團的貢獻外，張先生亦曾擔任中國人民政治協商會議增城市第八屆、第九屆委員會委員與中國人民政治協商會議第十一屆廣東省委員會特聘委員。張先生於2019年4月獲中國管理科學研究院教育科學研究所與中國管理科學研究院諮詢部頒發「建國70週年民辦教育特殊貢獻獎」。

張先生對教育的貢獻獲廣泛認可，以下為所獲授的獎項：

Date 日期	Awards 獎項	Awarding authority 頒獎機關
July 2005 2005年7月	"2005 Outstanding Persons of Education Innovation in China" ("2005全國傑出教育創新人物") 「2005全國傑出教育創新人物」	Jointly presented by Chinese Academy of Management Science (中國管理科學研究院), China Society for Futures Studies (中國未來研究會) and School of Education, Peking University (北京大學教育學院) 中國管理科學研究院、中國未來研究會及北京大學教育學院聯合頒授
September 2005 2005年9月	"Outstanding Contribution Award" presented by Innovation and Development of Private Education in China and Educational, Scientific and Cultural Award of Anna Chan Chennault Campaign (中國民辦教育創新與發展、陳香梅教科文獎表彰活動「特殊貢獻獎」) 中國民辦教育創新與發展、陳香梅教科文獎表彰活動「特殊貢獻獎」	Jointly presented by Office for Educational, Scientific and Cultural Award of Anna Chan Chennault (陳香梅教科文獎辦公室) and China Adult Education Association (中國成人教育協會) 陳香梅教科文獎辦公室與中國成人教育協會聯合頒授
April 2019 2019年4月	"Special Contribution Award for Private Education of the 70th Anniversary of the Founding of the People's Republic of China" ("建國70週年民辦教育特殊貢獻獎") 「建國70週年民辦教育特殊貢獻獎」	Jointly presented by Institute of Educational Chinese Academy of Management Science (中國管理科學研究院教育科學研究所) and China Academy of Management Science Advisory Department (中國管理科學研究院諮詢部) 中國管理科學研究院教育科學研究所與中國管理科學研究院諮詢部聯合頒授

Directors and Senior Management 董事及高級管理層

Mr. Zhang is the father of Mr. Zhang Yude, a non-executive Director.

張先生為非執行董事張裕德先生之父。

Mr. YE Yaming, aged 61, was appointed as an executive Director and chief executive officer of the Company on December 18, 2017. Mr. Ye was also appointed a member of the Remuneration Committee on August 16, 2019. He is primarily responsible for the overall operation and management of the Group.

葉雅明先生，61歲，於2017年12月18日獲委任為本公司執行董事兼行政總裁。葉先生亦於2019年8月16日獲委任為薪酬委員會成員，主要負責本集團的整體營運及管理。

Mr. Ye's dedication to education has been well recognized. The following sets out the awards received by him:

葉先生對教育的貢獻獲廣泛認可，以下為所獲授的獎項：

Date 日期	Awards 獎項	Awarding authority 頒獎機關
September 1994	"Outstanding Educator of Vocational Training in Guangdong Province" ("廣東省就業培訓優秀教師")	Guangdong Provincial Labor Department (廣東省勞動廳) (currently known as the Department of Human Resources and Social Security of Guangdong Province (廣東省人力資源和社會保障廳))
1994年9月	「廣東省就業培訓優秀教師」	廣東省勞動廳(現稱廣東省人力資源和社會保障廳)
March 1998	Advanced Worker of the Labor System in the City (全市勞動系統先進工作者)	Qingyuan Labor Bureau (清遠市勞動局) (currently known as Qingyuan Municipal Human Resources and Social Security Bureau (清遠市人力資源和社會保障局))
1998年3月	全市勞動系統先進工作者	清遠市勞動局(現稱清遠市人力資源和社會保障局)
September 2004	"Guangzhou Outstanding Educator" ("廣州市優秀教師(教育工作者)")	Jointly presented by Guangzhou Education Bureau (廣州市教育局) and Guangzhou Education Foundation (廣州市教育基金會)
2004年9月	「廣州市優秀教師(教育工作者)」	廣州市教育局與廣州市教育基金會聯合頒授

Directors and Senior Management 董事及高級管理層

Mr. DONG Xiaolin, aged 69, was appointed as an executive Director and vice-president of the Company on December 18, 2017. He is primarily responsible for the overall and daily management of the PRC Operating Entities and the overseas education business.

Mr. Dong was the executive dean of Huali College from November 2014 to May 2019. Prior to joining the Group, Mr. Dong was previously the vice-principal of Guangdong University of Foreign Studies (廣東外語外貿大學) from December 2003 to June 2011.

Mr. Dong has been an independent non-executive director of Guangdong Wanlima Industry Co., Ltd. (廣東萬里馬實業股份有限公司), a public company listed on the Shenzhen Stock Exchange (stock code: 300591), since August 2014.

In addition to his contribution to the Group, Mr. Dong is affiliated with certain governmental institutions in which he has been the major administrative decision-making and advising consultant of economics of the Development Research Center under the People's Government of Guangdong Province (廣東省人民政府發展研究中心) since December 2016 and has been an expert consultant to the 3rd decision-making board of Guangzhou Municipal People's Government (廣州市人民政府) since October 2015.

Mr. Dong has tendered his resignation as an executive Director and his resignation will be effective upon the conclusion of the AGM.

NON-EXECUTIVE DIRECTOR

Mr. ZHANG Yude, aged 29, was appointed as a non-executive Director of the Company on December 18, 2017. He is primarily responsible for giving strategic advice and guidance on the overseas education business and the strategic development of the Group.

Mr. Zhang Yude has been the assistant to the chairman of the board of Huali Investment since December 2015. Prior to joining our Group, Mr. Zhang Yude served as a financial analyst at Mandarin Investment Group in California from May 2014 to December 2015.

Mr. Zhang Yude is the son of Mr. Zhang Zhifeng, the chairman of the Board and an executive Director.

董小麟先生，69歲，於2017年12月18日獲委任為本公司執行董事兼副總裁，主要負責中國營運實體及海外教育業務的整體及日常管理。

董先生於2014年11月至2019年5月擔任華立學院的執行院長。加入本集團前，董先生曾於2003年12月至2011年6月擔任廣東外語外貿大學副校長。

董先生自2014年8月起擔任廣東萬里馬實業股份有限公司的獨立非執行董事，該公司為深圳證券交易所上市之公眾公司(股份代號：300591)。

除對本集團的貢獻外，董先生亦參與若干政府機構，彼自2016年12月起擔任廣東省人民政府發展研究中心的重大行政決策諮詢論證專家(經濟學)，並自2015年10月起擔任廣州市人民政府的第三屆決策諮詢專家。

董先生已辭任執行董事，其辭任將於股東週年大會結束起生效。

非執行董事

張裕德先生，29歲，於2017年12月18日獲委任為本公司非執行董事，主要負責就本集團海外教育業務及策略發展提供策略建議及指引。

張裕德先生自2015年12月起擔任華立投資董事長助理。加入本集團前，張裕德先生曾於2014年5月至2015年12月擔任加利福尼亞州 Mandarin Investment Group的財務分析師。

張裕德先生為董事長兼執行董事張智峰先生之子。

Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chiu Lai Kuen Susanna, M.H., J.P. aged 60, was appointed as an independent non-executive Director and the chairman of the Audit Committee on July 17, 2020. She is primarily responsible for supervising the compliance and corporate governance matters of the Group and providing independent opinions and advice to the Board.

Ms. Chiu has been serving as an independent non-executive director of Nanyang Commercial Bank since May 2018; an independent non-executive director of Kato (Hong Kong) Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2189), since May 2019; an independent non-executive director of Huijing Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 9968), since December 2019; and an independent director of Songz Automobile Air Conditioning Co. Ltd. (上海加冷松芝汽車空調股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002454), since May 2020. From 2006 to 2019, she served as a senior vice president, a director (Eastern and Central China) and a consultant in various member companies of the Fung Group, which is principally engaged in trading, distribution, logistics and retailing businesses. She was previously the chief operating officer and the senior vice president of business development and corporate affairs of DVN Holdings Company Limited (currently known as Frontier Services Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 500).

Ms. Chiu is currently a member of The Chinese People's Political Consultative Conference of Shanghai, the council treasurer of the Education University of Hong Kong, and a member of the Women's Commission. Ms. Chiu was awarded the Medal of Honor by the Hong Kong Government in 2013 for her achievement and dedication in public services, especially in relation to the accounting profession. She was also awarded the Outstanding Business Women Award by Hong Kong Commercial Daily in 2017.

Mr. YANG Ying, aged 62, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee on August 16, 2019. He is primarily responsible for supervising the compliance and corporate governance matters of the Group and providing independent opinions and advice to the Board.

Mr. Yang is a professor of the School of Economics and the dean of Investment Economics Department at Jinan University (暨南大學). Mr. Yang joined Jinan University in April 1988, at which he was successively a teaching assistant, lecturer and associate professor at the School of Economics before his current position. Prior to joining Jinan University, Mr. Yang was a teaching assistant in finance at Guangdong Institute for Nationalities (廣東民族學院財經系) from September 1987 to April 1988.

獨立非執行董事

趙麗娟女士, M.H., J.P., 60歲, 於2020年7月17日獲委任為獨立非執行董事及審核委員會主席, 主要負責監察本集團的合規及企業管治事宜並向董事會提供獨立意見及建議。

趙女士自2018年5月起擔任南洋商業銀行獨立非執行董事, 自2019年5月起擔任嘉濤(香港)控股有限公司(聯交所主板上市公司)(股份代號: 2189)獨立非執行董事, 自2019年12月起擔任滙景控股有限公司(聯交所主板上市公司)(股份代號: 9968)獨立非執行董事, 自2020年5月起擔任上海加冷松芝汽車空調股份有限公司(深圳證券交易所上市公司)(股份代號: 002454)獨立董事。於2006年至2019年, 彼於馮氏集團多家成員公司擔任高級副總裁、董事(華東及華中區)及顧問, 該集團主要從事貿易、分銷、物流及零售業務。彼曾任天地數碼(控股)有限公司(現稱先豐服務集團有限公司)(聯交所主板上市公司)(股份代號: 500)營運總監以及業務發展及公司事務高級副總裁。

趙女士現任上海市政協委員、香港教育大學校董會司庫及婦女事務委員會成員。趙女士於2013年獲香港政府頒授榮譽勳章, 嘉許其傑出成就及對公共服務的熱誠, 尤其是對會計專業的貢獻。彼亦於2017年獲香港商報頒授「傑出專業女性」大獎。

楊英先生, 62歲, 於2019年8月16日獲委任為獨立非執行董事、薪酬委員會主席兼審核委員會及提名委員會成員, 主要負責監察本集團的合規及企業管治事宜並向董事會提供獨立意見及建議。

楊先生任暨南大學經濟學院教授及投資經濟學教研室主任。楊先生於1988年4月加入暨南大學, 擔任現職前先後任經濟學院助教、講師及副教授。加入暨南大學前, 楊先生於1987年9月至1988年4月擔任廣東民族學院財經系的助教。

Directors and Senior Management 董事及高級管理層

Apart from his teaching career, Mr. Yang has played an active role in civic engagements. He was a member of the Standing Committee of the 11th and 12th People's Congress of Guangdong Province (第十一屆及第十二屆廣東省人大常委會) and is the vice-president of Council of the 1st Think Tank Association for the Promotion of Economic and Scientific Development of Guangdong Province (第一屆廣東省經濟科學發展智庫促進會理事會).

除授課外，楊先生亦積極參與社會服務。他曾擔任第十一屆及第十二屆廣東省人大常委會委員，現任第一屆廣東省經濟科學發展智庫促進會理事會副會長。

The following table also sets out Mr. Yang's key publications:

下表亦載列楊先生的主要出版作品：

Year of publication 出版年份	Title 書名	Publisher / Newspaper (as the case may be) 出版社／報章(視情況而定)
2002	New Theory of Hong Kong Economy (《香港經濟新論》)	Jinan University Publishing House (暨南大學出版社)
2002年	《香港經濟新論》	暨南大學出版社
2016	Preliminary Study on the Basic Ideas about Construction of the GPRD Free Trade Area (《廣東自由貿易試驗區基本建設思路研究》)	China Development (《中國發展》)
2016年	《廣東自由貿易試驗區基本建設思路研究》	《中國發展》

Mr. DING Yi, aged 57, was appointed as an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee on August 16, 2019. He is primarily responsible for supervising the compliance and corporate governance matters of the Group and providing independent opinions and advice to the Board.

丁義先生，57歲，於2019年8月16日獲委任為獨立非執行董事兼審核委員會、薪酬委員會及提名委員會成員，主要負責監察本集團的合規及企業管治事宜並向董事會提供獨立意見及建議。

Mr. Ding has been a teacher at South China Normal University (華南師範大學) since July 2001 and has been serving as the teaching professor at the School of Music of the university since September 2006. Previously, Mr. Ding was a solo artist of Guangdong Song & Dance Ensemble (廣東歌舞劇院) from September 1989 to September 2001.

丁先生自2001年7月起任教於華南師範大學，並自2006年9月起一直擔任該大學音樂學院教授。此前，丁先生於1989年9月至2001年9月期間曾為廣東歌舞劇院的獨唱演員。

Mr. Ding has been a standing committee member of the 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆廣東省委員會) since January 2013.

自2013年1月起，丁先生擔任中國人民政治協商會議第十一屆廣東省委員會常務委員。

Directors and Senior Management 董事及高級管理層

SENIOR MANAGEMENT

Mr. HUNG Manling, aged 53, was appointed as the chief financial officer and one of the joint company secretaries of the Company on December 18, 2017. He is primarily responsible for the financial management and overall governance of the Group.

The following table sets out other prior working experience of Mr. Hung:

高級管理層

洪文靈先生，53歲，於2017年12月18日獲委任為本公司財務總監兼聯席公司秘書之一，主要負責本集團的財務管理及整體管治。

下表載列洪先生先前的其他工作經驗：

Period 期間	Company/Organization 公司／機構	Position 職務	Role and responsibility 角色及職責
From September 1993 to November 1995 1993年9月至1995年11月	BDO Kwan Wong Tan & Fong Certified Public Accountants (關黃陳方會計師行)	Auditor of audit department 審核部門核數師	Primarily responsible for due diligence and auditing work 主要負責盡職調查及審計工作
From January 1996 to April 1997 1996年1月至1997年4月	South Asia Knitting Factory Ltd. (南益織造有限公司) (a company which is principally engaged in garment manufacturing, textiles and dyeing) 南益織造有限公司(主要從事服裝製造、紡織及染色的公司)	Financial accountant and financial manager (China division), successively 先後擔任中國分公司財務會計及財務經理	Primarily responsible for financial reporting and staff supervision in PRC subsidiaries 主要負責中國附屬公司的財務報告及員工監督
From April 1997 to March 2007 1997年4月至2007年3月	Hutchison Whampoa (China) Limited (和記黃埔(中國)有限公司) (a company which is principally engaged in business investment in the PRC, including real estate, logistics and manufacturing industry) 和記黃埔(中國)有限公司(主要於中國從事業務投資(包括房地產、物流及製造業)的公司)	Finance manager, assistant business development deputy controller and chief project accountant, successively 先後擔任財務經理、業務發展副總監助理及項目總會計師	Primarily responsible for overseeing project accounting work and project development 主要負責監督項目會計工作及項目發展
From August 2007 to October 2008 2007年8月至2008年10月	NCN Group Management Limited (安博集團管理有限公司) (a company which is principally engaged in travel, hotel and outdoor media business) 安博集團管理有限公司(主要從事旅遊、酒店及戶外傳媒業務的公司)	Vice-president of business development 業務發展副總裁	Primarily responsible for business development 主要負責業務發展
From March 2014 to March 2016 2014年3月至2016年3月	Hong Kong Jia Jia Investment Development Limited (香港家家投資發展有限公司) (a company which is principally engaged in the food and beverage industry) 香港家家投資發展有限公司(主要從事餐飲業的公司)	Executive director 執行董事	Primarily responsible for investment and financing 主要負責投融資業務

Directors and Senior Management 董事及高級管理層

Mr. Hung obtained a Bachelor Degree of Business Administration in Accounting from Hong Kong Baptist University in December 1993. He further obtained third-level accounting and intermediate book-keeping qualifications awarded by the London Chamber of Commerce and Industry Examinations Board in 1990 and 1987, respectively.

Mr. MA Zhixiong, aged 49, was appointed as a vice-president of the Company on December 18, 2017. He is primarily responsible for the operation and management of the Group. Mr. Ma will be appointed as an executive Director and his appointment will be effective from the conclusion of the AGM.

Prior to joining the Group, Mr. Ma successively acted as branch general manager of securities business and then vice-president of Lianxun Securities Co., Ltd. (聯訊證券股份有限公司) (formerly known as Huizhou Securities Company Limited (惠州證券有限責任公司)), a company listed on the National Equities Exchange and Quotations (stock code: 830399) from January 2001 to July 2014. Its business includes offering securities brokerage and trading, securities investment funds and financial products consignment, securities investment advice, and securities asset management services. Subsequently, Mr. Ma took the position of vice-president at Shanghai Greencourt Investment Group Co., Ltd. (上海綠庭投資控股集團股份有限公司) (previously known as Shanghai Dajiang Food Group Co., Ltd (上海大江食品集團股份有限公司)), a company listed on Shanghai Stock Exchange (stock code: 600695) and primarily engaged in real estate investment and asset management, from August 2014 to June 2015.

Mr. ZHANG Zhicheng, aged 37, was appointed as a vice-president of the Company on December 18, 2017. He is primarily responsible for the financing, mergers and acquisitions, investment development and investor relations management of the Group.

Prior to joining the Group, Mr. Zhang Zhicheng was the senior manager of the Global Financial Development Department of Huawei Technologies Co., Ltd. (華為技術有限公司) in Shenzhen, a private communications technology company focusing on the production and sales of communications equipment. He then joined the Corporate Business Department of the Hong Kong Representative Office from September 2011 to October 2014, and was primarily responsible for business development and client expansion. He was a member of the accounting staff of Ernst & Young Hua Ming from October 2010 to September 2011, primarily responsible for auditing work. He served successively as a customer service representative and then analyst of Just Energy Corp. in Canada, a company with its principal business as natural gas, electricity and green energy provision, from April 2007 to September 2009.

洪先生於1993年12月取得香港浸會大學工商管理學學士(會計)學位。於1990年及1987年，彼分別獲英國倫敦工商會考試局授予三級會計證及中級簿記資格證書。

馬志雄先生，49歲，於2017年12月18日獲委任為本公司副總裁，主要負責本集團的營運及管理。馬先生將獲委任為執行董事，其委任將於股東週年大會結束起生效。

加入本集團前，馬先生於2001年1月至2014年7月先後擔任全國中小企業股份轉讓系統掛牌公司聯訊證券股份有限公司(前稱惠州證券有限責任公司)(股份代號：830399)的證券營業部分行總經理及副總裁。該公司的業務包括提供證券經紀及交易、證券投資基金及金融產品代銷、證券投資諮詢以及證券資產管理服務。隨後於2014年8月至2015年6月，馬先生曾擔任上海證券交易所上市公司上海綠庭投資控股集團股份有限公司(前稱上海大江食品集團股份有限公司)(股份代號：600695)的副總裁，主要負責房地產投資及資產管理。

張枝成先生，37歲，於2017年12月18日獲委任為本公司副總裁，主要負責本集團的融資、併購、投資發展及投資者關係管理。

加入本集團前，張枝成先生曾擔任深圳華為技術有限公司(專注生產銷售通信設備的民營通信科技公司)全球財務發展部高級經理，其後於2011年9月至2014年10月加入香港代表處的公司業務發展部，主要負責發展業務及擴展客戶。彼自2010年10月至2011年9月擔任安永華明會計師事務所的會計員，主要負責審計工作。彼自2007年4月至2009年9月曾先後擔任加拿大加希特能源集團公司(主要業務為供應天然氣、電力及綠色能源的公司)的客戶服務代表及分析師。

Directors' Report

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended August 31, 2020.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the operations of private higher and vocational education institutions. Analysis of the principal activities of the Group during the Reporting Period is set out in the note 5 to the consolidated financial statements.

SUBSIDIARIES

Details of the principal subsidiaries of the Company as at August 31, 2020 are set out in note 25 to the consolidated financial statements.

RESULTS AND BUSINESS REVIEW

The results of the Group for the year ended August 31, 2020 are set out in the consolidated statement of comprehensive income on page 132.

A fair review of the business of the Group during the year and its likely future development and outlook, important events affecting the Company that have occurred since the end of the financial year, an analysis of the Group's performance during the year using financial key performance indicators, discussions on the Group's environmental policies and performance, details regarding the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, and the Group's key relationships with stakeholders as required under Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) are set out in "Chairman's Statement", "Management Discussion and Analysis", "Environmental, Social and Governance Report" and "Corporate Governance Report" of this annual report and all such discussions constitute part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Save as disclosed in the section headed "Risks relating to the Structured Contracts" in this Directors' report, the following list is a summary of certain principal risks and uncertainties faced by the Group:

- Our business depends on our ability to maintain or raise the tuition fee rates and boarding fee rates we charge at our schools;
- Our business and results of operations depend on the number of students we may admit, which in turn is subject to the admission quotas approved by relevant education authorities and limited by the capacity of our school facilities;
- We are subject to uncertainties brought by the Amendment of the Law for Promoting Private Education of the PRC and the MOJ Draft for Comments;

董事會欣然呈報其報告連同本集團截至2020年8月31日止年度的經審計合併財務報表。

主要業務

本集團主要從事經營民辦高等及職業教育機構。報告期內本集團主要業務的分析載列於合併財務報表附註5。

附屬公司

本公司於2020年8月31日的主要附屬公司詳情載列於合併財務報表附註25。

業績及業務回顧

本集團截至2020年8月31日止年度的業績載列於第132頁之合併綜合收益表。

有關本集團年內業務及其未來可能的發展與展望之公平回顧、自財政年度末起已發生且影響本公司的重要事項、使用財務關鍵表現指標對本集團年內表現之分析、本集團環境政策及表現之討論、有關本集團遵守對本集團有重大影響的相關法律法規之詳情，以及本集團與利益相關人士的主要關係等公司條例(香港法例第622章)附表5所規定的資料，載於本年報「主席報告」、「管理層討論及分析」、「環境、社會及管治報告」及「企業管治報告」，所有該等討論構成本報告的一部分。

主要風險及不確定性

除本董事會報告中「與結構性合約有關的風險」一節所披露者外，以下列示本集團面臨的若干主要風險及不確定性概要：

- 我們的業務取決於我們維持或提高學校所收取學費水平及寄宿費水平的能力；
- 我們的業務及經營業績視乎我們的招生人數，而招生人數乃受有關教育部門的招生名額以及我們學校設施的容納能力所限；
- 我們受到有關《中華人民共和國民辦教育促進法》修正案及司法部徵求意見稿的不確定因素影響；

- We may not be able to register Huali College as a for-profit private school or complete relevant procedures or obtain the government registrations under the current form of the MOJ Draft for Comments; and
- We are exposed to concentration risks as all of our schools are located in Guangdong Province.
- 根據目前司法部徵求意見稿的形式，我們未必可註冊華立學院為營利性民辦學校或完成相關程序或獲得政府註冊；及
- 我們全部學校均位於廣東省，因此面對集中風險。

DIVIDEND POLICY

The Board has adopted a dividend policy (the “**Dividend Policy**”) in compliance with code provision E.1.5 of the CG Code with effect from December 23, 2019.

According to the Dividend Policy, (i) no less than 30% of the distributable net profit attributable to the Shareholders may be distributed to the Shareholders; and (ii) dividends may be distributed twice a year after the announcement of the interim results and the annual results respectively.

Any amount of dividends we pay will be at the discretion of our Directors and will depend on, *inter alia*, general business conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company, the Group’s actual and expected financial performance, the Group’s expected capital requirements and future expansion plans, statutory and regulatory restrictions, contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company, taxation considerations, Shareholders’ interests, and other factors that the Board deems relevant.

Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Even if the Board decides to recommend and declare dividends, the form, frequency and amount of the dividends will be subject to the factors as disclosed above and such other factors affecting the Group.

The Dividend Policy will continue to be reviewed from time to time and there is no assurance that dividends will be recommended or declared in any particular amount for any given period.

DIVIDEND

The Board has proposed the payment of a final dividend of RMB0.0626 per Share for the year ended August 31, 2020 (the “**Final Dividend**”) to the Shareholders whose names appear on the register of members of the Company on January 28, 2020. The Final Dividend is subject to the approval of the Shareholders at the AGM to be held on January 20, 2021 and will be payable on or around February 9, 2021.

股息政策

董事會已遵照企業管治守則的守則條文E.1.5採納一項股息政策（「**股息政策**」），自2019年12月23日起生效。

根據股息政策，(i)可供分派予股東的可分派純利的不少於30%可分派予股東；及(ii)股息可分別於公佈中期業績及年度業績後每年分派兩次。

我們派付股息的金額將由董事酌情決定，將取決於（其中包括）整體業務狀況及可能影響本公司的業務或財務表現及狀況的其他內部或外部因素；本集團的實際及預期財務表現；本集團的預期資本要求及未來擴張計劃；法定及監管限制；有關本公司向股東支付股息或本公司附屬公司向本公司支付股息的合約限制；稅務考慮因素；股東利益；以及董事會認為相關的其他因素。

股息的宣派及派付以及其金額均須符合我們的章程文件及相關法律。即使董事會決定推薦及宣派股息，股息的形式、頻率及金額亦將受上文披露的因素及影響本集團的其他因素影響。

股息政策將繼續不時審閱，不能保證將就任何特定期間推薦或宣派任何特定金額的股息。

股息

董事會建議向於2020年1月28日名列本公司股東名冊的股東支付截至2020年8月31日止年度的末期股息每股人民幣0.0626元（「**末期股息**」）。末期股息須經股東於2021年1月20日舉行的股東週年大會上批准，並將於2021年2月9日或前後支付。

Directors' Report

董事會報告

ANNUAL GENERAL MEETING

The AGM will be held on January 20, 2021. Notice convening the AGM will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the AGM

The register of members of the Company will be closed from January 17, 2021 to January 20, 2021, both days inclusive, during which period no transfer of the Shares will be registered. In order to be eligible to attend and vote at the 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 January 16, 2021.

For the Proposed Final Dividend

The proposed Final Dividend is subject to the approval of the Shareholders at the AGM. The register of members of the Company will be closed from January 26, 2021 to January 28, 2021, both days inclusive, during which period no transfer of the Shares will be registered. In order to qualify for the proposed Final Dividend, 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 the aforementioned address for registration not later than 4:30 p.m. on January 25, 2021.

SHARE CAPITAL

Details of changes in the share capital of the Company during the year ended August 31, 2020 are set out in note 23 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended August 31, 2020 are set out in note 15 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of movements in the reserves of the Company during the year ended August 31, 2020 are set out on pages 214 in note 36 to the consolidated financial statements. As at August 31, 2020, the Company's reserves available for distribution to equity holders amounted to approximately RMB727.1 million.

股東週年大會

股東週年大會將於2021年1月20日舉行。召開股東週年大會的通告將適時刊登並寄發予股東。

暫停辦理股份過戶登記

股東週年大會

本公司將於2021年1月17日至2021年1月20日(包括首尾兩日)暫停辦理股份過戶登記,期間不會辦理股份過戶登記手續。為符合資格出席股東週年大會並投票,所有過戶文件連同相關股票必須於2021年1月16日下午四時三十分前送交本公司香港證券登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖),以進行登記。

建議末期股息

建議末期股息須經股東於股東週年大會上批准。本公司將於2021年1月26日至2021年1月28日(包括首尾兩日)暫停辦理股份過戶登記,期間不會辦理股份過戶登記手續。為符合資格獲得建議末期股息,所有過戶文件連同相關股票必須於2021年1月25日下午四時三十分前送交本公司香港證券登記處香港中央證券登記有限公司的上述地址,以進行登記。

股本

截至2020年8月31日止年度內,本公司股本的變動詳情載列於合併財務報表附註23。

物業、廠房及設備

截至2020年8月31日止年度內,本集團物業、廠房及設備的變動詳情載列於合併財務報表附註15。

本公司可供分派儲備

截至2020年8月31日止年度內,本公司儲備的變動詳情載列於第214頁合併財務報表附註36。於2020年8月31日,本公司可供分派予股權持有人的儲備約為人民幣727.1百萬元。

DIRECTORS

The Directors during the year ended August 31, 2020 and up to the date of this annual report are:

Executive Directors

Mr. Zhang Zhifeng (*Chairman of the Board*)
Mr. Ye Yaming
Mr. Dong Xiaolin

Non-executive Director

Mr. Zhang Yude

Independent Non-Executive Directors

Ms. Chiu Lai Kuen Susanna, M.H., J.P.
(*appointed on July 17, 2020*)
Mr. Yang Ying
Mr. Ding Yi
Mr. Chow Kwong Fai, Edward, J.P.
(*passed away on June 1, 2020*)

Pursuant to Article 16.19 of the Articles of Association, Mr. Zhang Zhifeng, Mr. Ye Yaming, and Mr. Zhang Yude shall retire by rotation and, being eligible, have offered themselves for re-election at the AGM. Mr. Dong Xiaolin has tendered his resignation as an executive Director with effect from the conclusion of the AGM and the Board has approved the appointment of Mr. Ma Zhixiong as an executive Director with effect from the conclusion of the AGM.

Pursuant to Article 16.2 of the Articles of Association, Ms. Chiu Lai Kuen Susanna, M.H., J.P., who was appointed to fill a casual vacancy during the Reporting Period, shall retire and, being eligible, has offered herself for re-election at the AGM.

The Company has received from each of the independent non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors has entered into a service agreement with the Company for a period of three years commencing from August 16, 2019. The term of each of the service agreements shall end when the service agreement is terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other party not less than three months' prior notice in writing.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for an initial period of three years commencing from August 16, 2019 or July 17, 2020, which may be terminated in accordance with the terms and conditions of the appointment letter or by either party serving on the other party a prior written notice of not less than three months.

董事

截至2020年8月31日止年度內及截至本年報日期的董事為：

執行董事

張智峰先生(董事會主席)
葉雅明先生
董小麟先生

非執行董事

張裕德先生

獨立非執行董事

趙麗娟女士 · M.H. · J.P.
(於2020年7月17日獲委任)
楊英先生
丁義先生
周光暉先生(太平紳士)
(於2020年6月1日離世)

根據組織章程細則第16.19條，張智峰先生、葉雅明先生及張裕德先生須輪值退任，符合資格且已表示願意於股東週年大會上膺選連任。董小麟先生已辭任執行董事，自股東週年大會結束起生效，且董事會已批准委任馬志雄先生為執行董事，自股東週年大會結束起生效。

根據組織章程細則第16.2條，趙麗娟女士，M.H.，J.P.（於報告期內獲委任以填補臨時空缺）須退任，符合資格且已表示願意於股東週年大會上膺選連任。

本公司已收到各獨立非執行董事根據上市規則第3.13條的年度獨立性書面確認。本公司認為，所有獨立非執行董事均具有獨立性。

董事服務協議

各執行董事已與本公司訂立服務協議，自2019年8月16日起為期三年。各服務協議的期限將於服務協議按照服務協議的條款及條件終止時或由任一方向另一方發出不少於三個月的書面通知時結束。

各非執行董事及獨立非執行董事已與本公司簽署委任書，自2019年8月16日或2020年7月17日起初步為期三年，可按照委任書的條款及條件終止或由任一方向另一方發出不少於三個月的書面通知而終止。

Directors' Report

董事會報告

None of the Directors has a service agreement which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CHANGE IN INFORMATION OF DIRECTORS

Mr. Chow Kwong Fai, Edward, J.P. passed away on June 1, 2020. Ms. Chiu Lai Kuen Susanna, M.H., J.P. was appointed as an independent non-executive Director and the chairman of the Audit Committee on July 17, 2020.

Save as disclosed above, there was no change in the information which is required to be disclosed and has been disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at August 31, 2020, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or 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 were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事概無訂立不可於一年內由本集團毋須支付賠償(法定賠償除外)而終止的服務協議。

董事資料變動

周光暉先生(太平紳士)於2020年6月1日離世。趙麗娟女士, M.H., J.P.於2020年7月17日獲委任為獨立非執行董事及審核委員會主席。

除上文所披露者外,概無有關根據上市規則第13.51(2)條第(a)至(e)及(g)段須予披露及已作出披露的董事資料變動。

董事及主要行政人員於本公司或任何其他其相聯法團的股份、相關股份及債權證之權益及淡倉

於2020年8月31日,董事及本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有的根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例之相關條文被當作或視為擁有之權益或淡倉),或記錄於根據證券及期貨條例第352條須備存的登記冊內之權益及淡倉,或根據標準守則須知會本公司及聯交所之權益及淡倉如下:

Name of Director or chief executive 董事或主要行政人員姓名	Capacity/Nature of interest 身份/權益性質	Number of Shares held 所持股份數目	Approximate percentage of shareholding in the Company ⁽¹⁾ 佔本公司股權的 概約百分比 ⁽¹⁾
Mr. Zhang Zhifeng ⁽²⁾ 張智峰先生 ⁽²⁾	Settlor of trust 信託委託人	900,000,000 (L)	75.0%
Mr. Zhang Yude ⁽³⁾ 張裕德先生 ⁽³⁾	Beneficiary of trust 信託受益人	900,000,000 (L)	75.0%

(L) — Long position

(L) — 好倉

Notes:

- (1) As at August 31, 2020, the total number of issued Shares was 1,200,000,000 Shares.
- (2) The sole shareholder of Huali Education is Trust Co. The entire equity interest in Trust Co is held on trust by UBS Nominees Limited for UBS Trustees (B.V.I.) Limited. UBS Trustees (B.V.I.) Limited is the trustee of HL Diamond Trust. HL-Diamond Trust is a discretionary trust established by Mr. Zhang Zhifeng as the settlor and with Mr. Zhang Zhifeng and his spouse and children as the beneficiaries. Therefore, each of Mr. Zhang Zhifeng and his spouse and children, Trust Co and UBS Trustees (B.V.I.) Limited is deemed to be interested in the 900,000,000 Shares held by Huali Education.
- (3) Mr. Zhang Yude (the son of Mr. Zhang Zhifeng) was one of the beneficiaries of HL-Diamond Trust.

Save as disclosed above, as at August 31, 2020, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the period from the Listing Date to August 31, 2020 was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

附註：

- (1) 於2020年8月31日，已發行股份總數為1,200,000,000股股份。
- (2) 華立教育的唯一股東為Trust Co。Trust Co的全部股權由UBS Nominees Limited以信託方式代UBS Trustees (B.V.I.) Limited持有。UBS Trustees (B.V.I.) Limited為HL Diamond Trust的受託人。HL-Diamond Trust是由張智峰先生(作為委託人)創立、以張智峰先生及其配偶和子女為受益人的全權信託。因此，張智峰先生及其配偶和子女、Trust Co及UBS Trustees (B.V.I.) Limited均被視為於華立教育所持900,000,000股股份中擁有權益。
- (3) 張裕德先生(張智峰先生之子)為HL-Diamond Trust的受益人之一。

除上文所披露者外，於2020年8月31日，概無董事及本公司主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有或被視為擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益及淡倉(包括彼等根據證券及期貨條例之相關條文被當作或視為擁有之權益及淡倉)，或須記錄於根據證券及期貨條例第352條須備存的登記冊內之任何權益及淡倉，或根據標準守則須知會本公司及聯交所之任何權益及淡倉。

董事收購股份或債權證之權利

除本年報所披露者外，於上市日期至2020年8月31日期間內任何時間，本公司及其任何附屬公司概無訂立任何安排，令董事可透過收購本公司或任何其他法人團體的股份或債權證而獲得利益，且董事及彼等的配偶與18歲以下子女概無獲授予認購本公司或任何其他法人團體的股本或債務證券之權利或行使其任何相關權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at August 31, 2020, to the best knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of shareholding in the Company ⁽¹⁾ 佔本公司股權的概約百分比 ⁽¹⁾
UBS Trustees (B.V.I.) Limited ⁽²⁾	Trustee	900,000,000 (L)	75.0%
UBS Trustees (B.V.I.) Limited ⁽²⁾	受託人		
UBS Nominees Limited ⁽²⁾	Interest in controlled corporation	900,000,000 (L)	75.0%
UBS Nominees Limited ⁽²⁾	受控法團之權益		
Trust Co ⁽²⁾	Interest in controlled corporation	900,000,000 (L)	75.0%
Trust Co ⁽²⁾	受控法團之權益		
Huali Education ⁽²⁾	Beneficial owner	900,000,000 (L)	75.0%
華立教育 ⁽²⁾	實益擁有人		
51job.Inc	Beneficial owner	68,331,000 (L)	5.7%
51job.Inc	實益擁有人		

(L) — Long position

Notes:

- (1) As at August 31, 2020, the total number of issued Shares was 1,200,000,000 Shares.
- (2) The sole shareholder of Huali Education is Trust Co. The entire equity interest in Trust Co is held on trust by UBS Nominees Limited for UBS Trustees (B.V.I.) Limited. UBS Trustees (B.V.I.) Limited is the trustee of HL-Diamond Trust. HL-Diamond Trust is a discretionary trust established by Mr. Zhang Zhifeng as the settlor and with Mr. Zhang Zhifeng and his spouse and children being the beneficiaries. Therefore, each of Mr. Zhang Zhifeng and his spouse and children, Trust Co and UBS Trustees (B.V.I.) Limited is deemed to be interested in the 900,000,000 Shares held by Huali Education.

Save as disclosed above, as at August 31, 2020, the Directors were not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東於股份及相關股份之權益及淡倉

於2020年8月31日，據董事所知，以下人士（並非董事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司及聯交所披露或記錄於本公司根據證券及期貨條例第336條須備存的登記冊內的權益或淡倉：

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares held 所持股份數目	Approximate percentage of shareholding in the Company ⁽¹⁾ 佔本公司股權的概約百分比 ⁽¹⁾
UBS Trustees (B.V.I.) Limited ⁽²⁾	Trustee	900,000,000 (L)	75.0%
UBS Trustees (B.V.I.) Limited ⁽²⁾	受託人		
UBS Nominees Limited ⁽²⁾	Interest in controlled corporation	900,000,000 (L)	75.0%
UBS Nominees Limited ⁽²⁾	受控法團之權益		
Trust Co ⁽²⁾	Interest in controlled corporation	900,000,000 (L)	75.0%
Trust Co ⁽²⁾	受控法團之權益		
Huali Education ⁽²⁾	Beneficial owner	900,000,000 (L)	75.0%
華立教育 ⁽²⁾	實益擁有人		
51job.Inc	Beneficial owner	68,331,000 (L)	5.7%
51job.Inc	實益擁有人		

(L) — 好倉

附註：

- (1) 於2020年8月31日，已發行股份總數為1,200,000,000股股份。
- (2) 華立教育的唯一股東為Trust Co。Trust Co的全部股權由UBS Nominees Limited以信託方式代UBS Trustees (B.V.I.) Limited持有。UBS Trustees (B.V.I.) Limited為HL-Diamond Trust的受託人。HL-Diamond Trust是由張智峰先生（作為委託人）創立，以張智峰先生及其配偶和子女為受益人的全權信託。因此，張智峰先生及其配偶和子女、Trust Co及UBS Trustees (B.V.I.) Limited均被視為於華立教育所持900,000,000股股份中擁有權益。

除上文所披露者外，於2020年8月31日，董事概不知悉任何人士（並非董事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露或記錄於本公司根據證券及期貨條例第336條須備存的登記冊內的任何權益或淡倉。

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 from the Listing Date to August 31, 2020.

BORROWINGS

As at August 31, 2020, the Group had bank and other borrowings of approximately RMB1,767.9 million (August 31, 2019: approximately RMB1,079.3 million). Details of which were disclosed in note 28 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during or subsisted at the end of the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in this Directors' report and otherwise disclosed in this annual report, no transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity was materially interested, whether directly or indirectly, subsisted at any time during or at the end of the Reporting Period.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the Group's business subsisted during the year ended August 31, 2020.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in this Directors' report and otherwise disclosed in this annual report, no contract of significance to which the Company or any of its subsidiaries was a party and in which the controlling Shareholders of the Company or an entity connected with the controlling Shareholders had a material interest, either directly or indirectly, subsisted during the year ended August 31, 2020.

購買、出售或贖回本公司上市證券

於上市日期至2020年8月31日期間，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

借款

於2020年8月31日，本集團的銀行及其他借款約人民幣1,767.9百萬元（2019年8月31日：約人民幣1,079.3百萬元）。詳情於合併財務報表附註28披露。

股權掛鈎協議

概無股權掛鈎協議由本公司於報告期內訂立或於報告期結束時存續。

董事於重大交易、安排或合約之權益

除本董事會報告「關連交易」一節及本年報其他章節所披露者外，於報告期內任何時間或報告期結束時，並不存在由本公司或其任何附屬公司訂立且董事或其關連實體於當中直接或間接擁有重大權益的有關本集團業務的重大交易、安排或合約。

管理合約

截至2020年8月31日止年度內，不存在有關本集團的全部或任何重大部分業務的管理及行政管理的合約。

控股股東於重大合約之權益

除本董事會報告「關連交易」一節及本年報其他章節所披露者外，於截至2020年8月31日止年度內，並不存在由本公司或其任何附屬公司訂立且本公司控股股東或與控股股東有關連的實體直接或間接於當中擁有重大權益的重大合約。

Directors' Report

董事會報告

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. Such provision was in force during the year and remained in force as at the date of this report.

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) where the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1) (a) of the Companies Ordinance.

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.

FOUR-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on page 217 of the annual report.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended August 31, 2020, the Group's customers primarily consist of the Group's students. The Group did not have any single customer who accounted for more than 5% of the Group's revenue.

Major Suppliers

For the year ended August 31, 2020, the Group's five largest suppliers accounted for 59.4% (for the year ended August 31, 2019: 77.4%) of the Group's total purchases and our single largest supplier accounted for 22.6% (for the year ended August 31, 2019: 33.7%) of the Group's total purchases.

As at the date of this report, except for Guangzhou Gaobiao Construction Engineering Co., Ltd., none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued Shares) had any interest in the Group's five largest customers and suppliers.

獲准許的彌償條文

組織章程細則規定，各董事或本公司其他高級人員有權從本公司的資產中獲得彌償，以彌償其作為董事或本公司其他高級人員在勝訴或無罪的任何民事或刑事法律訴訟中進行抗辯而招致或蒙受的一切損失或責任。該條文於年內有效，且於本報告日期仍然有效。

本公司已就其董事及高級管理層因公司活動被採取的法律行動安排適當的董事及高級人員責任保險。如董事編製的董事會報告按照公司條例(香港法例第622章)第391(1)(a)條獲批准，根據公司條例第470條的規定，獲准許的彌償條文為董事利益而有效。

優先認購權

組織章程細則或開曼群島(本公司註冊成立所在地)的適用法律並無有關優先認購權的條文，令本公司有義務按比例向現有股東發售新股份。

四年財務概要

本集團於最近四個財政年度之業績與資產及負債概要載列於年報第217頁。

主要客戶及供應商

主要客戶

截至2020年8月31日止年度，本集團客戶主要為本集團的學生。本集團並無任何單一客戶佔本集團收入的5%以上。

主要供應商

截至2020年8月31日止年度，本集團的五大客戶佔本集團總採購額的59.4% (截至2019年8月31日止年度：77.4%)，我們的單一最大客戶佔本集團總採購額的22.6% (截至2019年8月31日止年度：33.7%)。

於本報告日期，除廣州高標建築工程有限公司外，董事及彼等的任何緊密聯繫人或任何股東(據董事所知擁有已發行股份的5%以上)概無於本集團的五大客戶及供應商中擁有任何權益。

CONNECTED TRANSACTIONS

Continuing Connected Transactions

During the Reporting Period, the Group entered into the following non-exempt continuing connected transactions pursuant to Chapter 14A of the Listing Rules:

School Properties Lease Agreement with Yunfu Bilingual School

Background of the connected person

Yunfu Bilingual School is controlled by Mr. Zhang, our controlling Shareholder, chairman and executive Director, through Hualiyuan Technology as the School Sponsor. As such, Yunfu Bilingual School is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

Principal terms of the School Properties Lease Agreement with Yunfu Bilingual School dated September 5, 2017 supplemented by supplemental agreements dated October 9, 2017 and April 26, 2018 (the "School Properties Lease Agreement with Yunfu Bilingual School")

Date	September 5, 2017 (supplemented on October 9, 2017 and April 26, 2018)
Parties	(1) Huali Vocational College (Lessor) (2) Yunfu Bilingual School (Lessee)
Terms	September 1, 2016 to August 31, 2036
Properties	Number 6 teaching building, Number 14 student dormitory building and Number 2 sports ground located at the Planned Huali Vocational College Yunfu Campus

Pursuant to the School Properties Lease Agreement with Yunfu Bilingual School, Huali Vocational College leased the relevant school properties located at the Planned Huali Vocational College Yunfu Campus with a total GFA of approximately 44,936 sq. m. to Yunfu Bilingual School at annual rental fees. Such rental fees are determined based on the pre-agreed monthly rental price of up to RMB23.05 per sq. m. during the term of the School Properties Lease Agreement with Yunfu Bilingual School, and shall be paid by Yunfu Bilingual School to Huali Vocational College on or before October 31 of each year during the term.

關連交易

持續關連交易

報告期內，本集團已根據上市規則第14A章訂立以下不獲豁免持續關連交易：

雲浮中英文學校學校物業租賃協議

關連人士的背景

雲浮中英文學校由張先生(控股股東、董事長兼執行董事)通過華立園科技作為學校舉辦人方式控制。因此，根據上市規則第14A.07條，雲浮中英文學校為本公司的關連人士。

於2017年9月5日訂立的雲浮中英文學校學校物業租賃協議(經2017年10月9日及2018年4月26日的補充協議補充)(「雲浮中英文學校學校物業租賃協議」)的主要條款

日期	2017年9月5日(於2017年10月9日及2018年4月26日補充)
訂約方	(1)華立職業學院(出租人) (2)雲浮中英文學校(承租人)
年期	2016年9月1日至2036年8月31日
物業	規劃中的華立職業學院雲浮校區6號教學大樓、14號學生宿舍樓和2號運動場

根據雲浮中英文學校學校物業租賃協議，華立職業學院以年租將位於規劃中的華立職業學院雲浮校區總建築面積約44,936平方米的相關學校物業租予雲浮中英文學校。相關租金基於事先協定的雲浮中英文學校學校物業租賃協議期內建築面積每平方米月租最多人民幣23.05元釐定，而雲浮中英文學校須於協議期內每年10月31日或之前向華立職業學院支付有關租金。

Directors' Report 董事會報告

Transaction Amount for the Reporting Period

The amount of rental fee receivable from Yunfu Bilingual School pursuant to the School Properties Lease Agreement with Yunfu Bilingual School for the Reporting Period was RMB2,459,000.

For further details of the School Properties Lease Agreement with Yunfu Bilingual School, please refer to the section headed "Connected Transactions — Continuing Connected Transactions" in the Prospectus.

Framework Properties Lease Agreement with Hualiyuan Technology

Background of the connected person

The equity interest of Hualiyuan Technology is held as to 99% by Mr. Zhang and as to 1% by Huali Property. As such, Hualiyuan Technology is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

Principal terms of the Framework Properties Lease Agreement with Hualiyuan Technology

On August 28, 2019, we entered into a framework properties lease agreement with Hualiyuan Technology (the "**Framework Properties Lease Agreement with Hualiyuan Technology**"), pursuant to which Hualiyuan Technology agreed to lease certain residential apartments to us for a term commencing from September 1, 2019 to August 31, 2022. Pursuant to the Framework Properties Lease Agreement with Hualiyuan Technology, the monthly rental fees for the premises shall be RMB16 per sq. m. (exclusive of management fees, value added taxes and local levies) and the total leasable area of the premises shall be 39,289 sq. m. Individual lease agreements stipulating the specific terms and conditions (such as the actual gross floor area to be leased and the lease term) will be entered into for individual leasing transactions. The aggregate rental fees for all the individual lease agreements shall not exceed the annual cap for the relevant year and the term of each of the individual lease agreements shall not exceed the term of the Framework Properties Lease Agreement with Hualiyuan Technology. Hualiyuan Technology has granted us an option to renew the Framework Properties Lease Agreement with Hualiyuan Technology by giving six-month prior written notice before the expiry of its term. In addition, Hualiyuan Technology has undertaken to lease to us premises of at least 39,289 sq. m. during the term of the Framework Properties Lease Agreement with Hualiyuan Technology, and we have undertaken to rent from Hualiyuan Technology premises of at least 7,200 sq. m. during the term of the Framework Properties Lease Agreement with Hualiyuan Technology.

Transaction Amount for the Reporting Period

The transaction amount under the Framework Properties Lease Agreement with Hualiyuan Technology for the Reporting Period was approximately RMB860,000.

For further details of the Framework Properties Lease Agreement with Hualiyuan Technology, please refer to the section headed "Connected Transactions — Continuing Connected Transactions" in the Prospectus.

報告期交易金額

報告期內根據雲浮中英文學校學校物業租賃協議應收雲浮中英文學校的租金費用為人民幣2,459,000元。

有關雲浮中英文學校學校物業租賃協議的進一步詳情，請參閱招股章程中「關連交易 — 持續關連交易」一節。

華立園科技物業租賃框架協議

關連人士的背景

華立園科技由張先生及華立地產分別持有99%及1%股權。因此，根據上市規則第14A.07條，華立園科技為本公司的關連人士。

華立園科技物業租賃框架協議的主要條款

於2019年8月28日，我們與華立園科技訂立物業租賃框架協議（「**華立園科技物業租賃框架協議**」），據此，華立園科技同意向我們出租若干公寓，租期自2019年9月1日至2022年8月31日。根據華立園科技物業租賃框架協議，物業月租為每平方米人民幣16元（不含管理費、增值稅及地方徵稅），物業的可租賃總面積為39,289平方米。我們會就單項租賃交易訂立單項租賃協議，列明實際租賃建築面積及租期等具體條款及條件。所有單項租賃協議的租金總額不得超過相關年度的年度上限，租期亦不得超過華立園科技物業租賃框架協議租期。華立園科技授予我們優先權，可於華立園科技物業租賃框架協議的租期到期前通過發出六個月事先書面通知續期協議。此外，華立園科技已承諾於華立園科技物業租賃框架協議租期內向我們出租最少39,289平方米的物業，而我們已承諾於華立園科技物業租賃框架協議租期內自華立園科技租賃最少7,200平方米的物業。

報告期交易金額

報告期內華立園科技物業租賃框架協議項下的交易金額為約人民幣860,000元。

有關華立園科技物業租賃框架協議的進一步詳情，請參閱招股章程中「關連交易 — 持續關連交易」一節。

Structured Contracts

The PRC laws and regulations currently restrict operation of tertiary education to Sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. Further, government approval in respect of Sino-foreign ownership is being withheld. As a result, the Group, through our wholly-owned subsidiary, XZ Huali, has entered into the Structured Contracts such that we can conduct our business operations indirectly in the PRC through the PRC Operating Entities and Huali Investment while complying with applicable PRC law and regulations. The Structured Contracts are designed to provide the Group with effective control over the financial and operational policies of the PRC Operating Entities and Huali Investment and, to the extent permitted by PRC law and regulations, the right to acquire the equity interest in and/or the assets of the PRC Operating Entities and Huali Investment after the Listing through XZ Huali. As we operate our education business through the PRC Operating Entities and Huali Investment, which are controlled by Huali Investment and the Registered Shareholder respectively and we do not hold any direct equity interest in the PRC Operating Entities, the Structured Contracts were entered into on March 23, 2017, pursuant to which all material business activities of the PRC Operating Entities are directed and supervised by the Group, through XZ Huali, and all economic benefits arising from such business of the PRC Operating Entities and Huali Investment are transferred to the Group.

Our wholly-owned subsidiary, XZ Huali, entered into a series of agreements with the PRC Operating Entities and Huali Investment, including 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 Rights Entrustment Agreement and the Registered Shareholder's Power of Attorney, which form part of the Structured Contracts and the content of which was supplemented from time to time.

For further details, please refer to the section headed "Structured Contracts" of this report.

結構性合約

除對外國擁有人施加資質要求外，中國法律法規目前將高等教育機構經營限於中外合作性質擁有權。此外，政府對中外合作性質擁有權的審批亦已暫停。因此，本集團透過我們的全資附屬公司西藏華立訂立結構性合約，我們可透過中國營運實體及華立投資在中國間接開展業務，並符合相關中國法律及法規。結構性合約旨在讓本集團有效控制中國營運實體及華立投資的財務及營運政策，並有權在中國法律及法規准許的情況下在上市後透過西藏華立收購中國營運實體及華立投資的股權及／或資產。由於我們透過分別由華立投資及登記股東控制且我們並無持有任何直接權益的中國營運實體及華立投資經營教育業務，我們於2017年3月23日訂立結構性合約，據此中國營運實體所有重要業務活動均由本集團透過西藏華立指導及監督，而中國營運實體及華立投資上述業務的所有經濟收益均轉讓予本集團。

我們的全資附屬公司西藏華立與中國營運實體及華立投資訂立一系列協議，包括業務合作協議、獨家技術服務及管理諮詢協議、獨家購買權協議、股權質押協議、學校舉辦者及董事權利委託協議、學校舉辦人授權書、學校董事授權書、配偶承諾、登記股東權利委託協議及登記股東授權書（均屬結構性合約一部分，且內容不時補充）。

有關進一步詳情，請參閱本報告「結構性合約」一節。

Waiver from the Stock Exchange

In respect of the Structured Contracts, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Structured Contracts pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Structured Contracts under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Structured Contracts to three years or less under Rule 14A.52 of the Listing Rules. The specific waiver granted by the Stock Exchange is subject to various conditions as disclosed in the "Connected Transactions" section of the Prospectus, which include, among others, disclosure in our annual reports of the Structured Contracts in place during each financial period, engagement of the Company's auditor to report on the transactions carried out pursuant to the Structured Contracts and issue of letter in respect of the above continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules, and annual review by the independent non-executive Directors of the Structured Contracts and their confirmation in our annual report for the relevant year.

For further details of the structured contracts, please refer to the section headed "Structured Contracts" in this report and the section headed "Connected Transactions — Continuing Connected Transactions" in the Prospectus.

Confirmation of independent non-executive Directors

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions (the "Continuing Connected Transactions") and confirmed that, during the Reporting Period:

- (i) the Continuing Connected Transactions have been entered into in the ordinary and usual course of business of the Group;
- (ii) the Continuing Connected Transactions are on normal commercial terms; and
- (iii) the Continuing Connected Transactions have been entered into in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation of the Company's auditor

The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended August 31, 2020:

- (a) nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

聯交所豁免

基於結構性合約，我們已向聯交所申請且聯交所已批准豁免我們(i)根據上市規則第14A.105條就結構性合約所涉交易嚴格遵守上市規則第14A章公告、通函及股東批准規定；(ii)嚴格遵守上市規則第14A.53條就結構性合約所涉交易設定年度上限的規定；及(iii)嚴格遵守上市規則第14A.52條將結構性合約年期限於三年或以內的規定。聯交所授出的特定豁免受限於招股章程「關連交易」一節披露的多項條件，有關條件包括(其中包括)於我們的年報中披露各財政期間的現有結構性合約、委聘本公司核數師就根據結構性合約進行的交易作出報告及按照上市規則第14A.56條就上述持續關連交易出具函件，以及獨立非執行董事對結構性合約的年度審閱以及彼等於我們相關年度的年報中的確認。

有關結構性合約的進一步詳情，請參閱本報告「結構性合約」一節及招股章程中「關連交易—持續關連交易」一節。

獨立非執行董事的確認

獨立非執行董事已審閱上述持續關連交易(「持續關連交易」)，並確認，於報告期內：

- (i) 持續關連交易乃於本集團日常及一般業務過程中訂立；
- (ii) 持續關連交易為正常商業條款；及
- (iii) 持續關連交易乃按照規管有關交易的相關協議訂立，且其條款屬公平合理，並符合股東的整體利益。

本公司核數師的確認

本公司核數師已於致董事會的函件中確認，就於截至2020年8月31日止年度訂立的上述持續關連交易而言：

- (a) 核數師並無注意到任何事項，令其相信所披露的持續關連交易未經董事會批准；
- (b) 就涉及本集團提供商品或服務的交易而言，核數師並無注意到任何事項，令其相信該等交易並非在所有重大方面按照本集團的定價政策進行；

- (c) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) with respect to the aggregate amount of each of the continuing connected transactions set out in the attached list of continuing connected transactions, nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.
- (c) 核數師並無注意到任何事項，令其相信該等交易並非在所有重大方面按照規管該等交易的相關協議進行；及
- (d) 就隨附的持續關連交易清單所載各持續關連交易總金額而言，核數師並無注意到任何事項，令其相信所披露的持續關連交易已超過本公司設定的年度上限。

STRUCTURED CONTRACTS

Background of Structured Contracts

We currently conduct our private education business through our PRC Operating Entities in the PRC as PRC laws and regulations generally prohibit or restrict foreign ownership in the private education industry in the PRC. PRC laws and regulations currently restrict the operation of higher education institutions to Sino-foreign cooperation, in addition to imposing qualification requirements on the foreign sponsors. We do not hold any School Sponsor interest in our PRC Operating Entities. The Structured Contracts, through which we obtain control over and derive the economic benefits from our PRC Operating Entities, have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations.

In order to comply with the PRC laws and regulations as set out above while availing ourselves of international capital markets and maintaining effective control over all of our operations, on March 23, 2017, our wholly-owned subsidiary, XZ Huali and Huali Investment entered into various agreements that constitute the Structured Contracts with, among others, our PRC Operating Entities, under which all economic benefits arising from the business of our PRC Operating Entities and Huali Investment were transferred to XZ Huali to the extent permitted under the PRC laws and regulations by means of service fees payable by our PRC Operating Entities and Huali Investment to XZ Huali. The parties to the Structured Contracts each entered into certain supplemental agreements (collectively, the “**Supplemental Agreements**”) dated September 19, 2017, November 27, 2017, August 30, 2018, September 28, 2018, April 23, 2019, July 22, 2019, October 10, 2019, January 17, 2020 and July 20, 2020 respectively, to supplement and amend certain terms of the Structured Contracts.

結構性合約

結構性合約的背景

由於中國法律法規一般禁止或限制中國民辦教育行業的外資擁有權，故我們目前透過中國營運實體在中國經營民辦教育業務。除對外國舉辦人施加資質要求外，中國法律法規目前將高等教育機構經營限於中外合作性質。我們並無持有中國營運實體的任何學校舉辦人權益。我們透過結構性合約控制中國營運實體並從中獲得經濟利益，而我們已仔細調整該等合約，以實現業務目標同時降低與相關中國法律法規的潛在衝突。

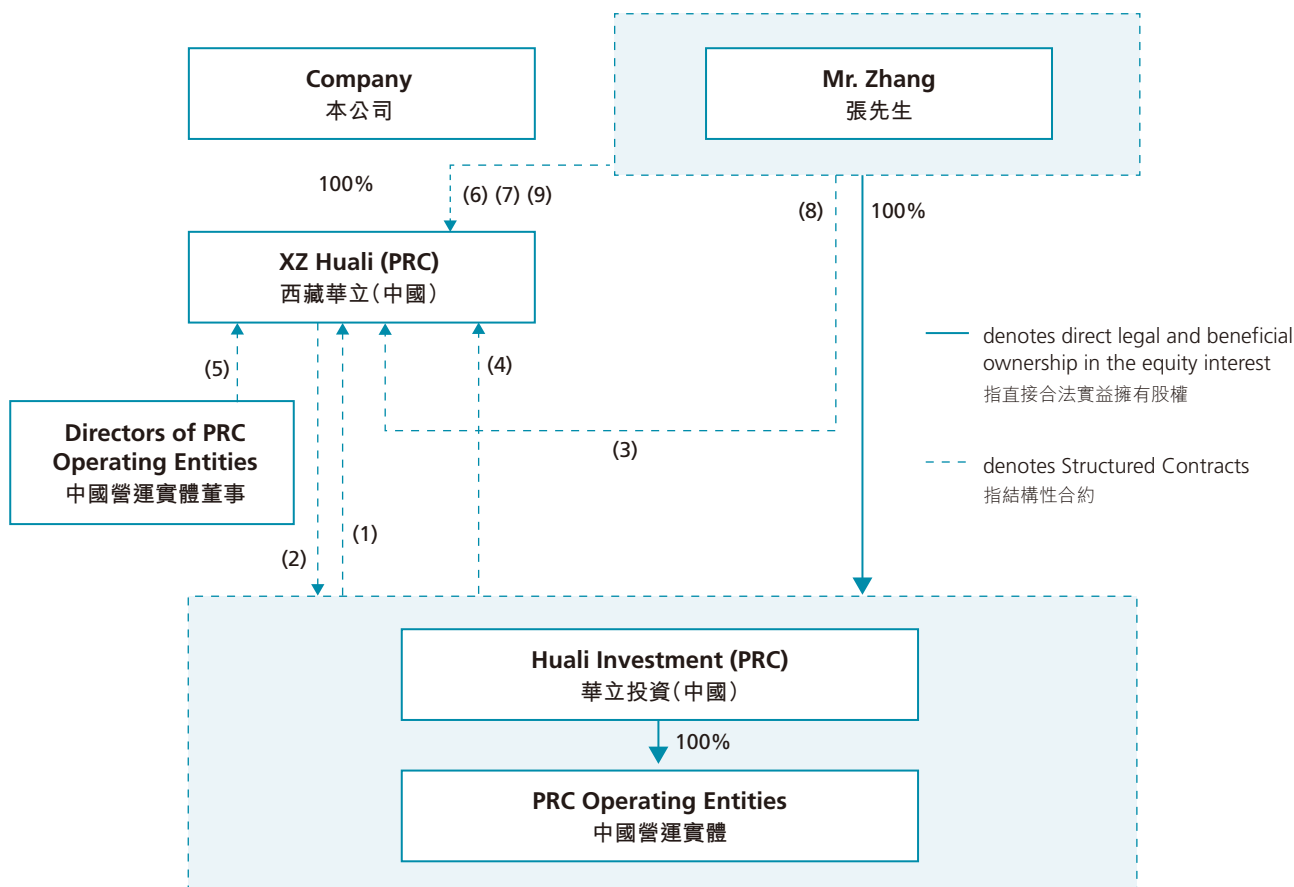
為遵守上述中國法律法規，同時讓我們進入國際資本市場及有效控制所有營運，我們的全資附屬公司西藏華立及華立投資於2017年3月23日與(其中包括)中國營運實體簽訂多份組成結構性合約的協議。據此，中國營運實體及華立投資業務產生的所有經濟利益以中國營運實體及華立投資向西藏華立支付服務費的形式轉至西藏華立，惟以中國法律法規許可的金額為限。結構性合約的各訂約方已先後於2017年9月19日、2017年11月27日、2018年8月30日、2018年9月28日、2019年4月23日、2019年7月22日、2019年10月10日、2020年1月17日及2020年7月20日訂立若干補充協議(統稱「**補充協議**」)，以補充及修訂結構性合約的若干條款。

Directors' Report

董事會報告

The following simplified diagram illustrates the flow of economic benefits from our PRC Operating Entities and Huali Investment to our Group stipulated under the Structured Contracts:

以下簡圖說明按結構性合約規定從中國營運實體及華立投資至本集團的經濟利益流向：



Notes:

- (1) Payment of service fees.
- (2) Provision of exclusive technical and management consultancy services.
- (3) Exclusive call option to acquire all or part of the School Sponsor's interest of Huali Investment in our PRC Operating Entities and equity interest in Huali Investment.
- (4) Entrustment of School Sponsor's rights in our PRC Operating Entities by Huali Investment, including School Sponsor's power of attorney.
- (5) Entrustment of directors' rights in our PRC Operating Entities by School Directors appointed by Huali Investment, including school directors' power of attorney.
- (6) Spouse undertaking by the spouse of the Registered Shareholder, who is the shareholder of Huali Investment.
- (7) Pledge of equity interest by the Registered Shareholder of their equity interest in Huali Investment.
- (8) Power of attorney by Mr. Zhang to XZ Huali.
- (9) Entrustment of Registered Shareholder's rights in Huali Investment by Registered Shareholder, including Registered Shareholder's Power of Attorney.

附註：

- (1) 支付服務費。
- (2) 提供獨家技術服務及管理諮詢服務。
- (3) 收購華立投資所持中國營運實體的全部或部分學校舉辦人權益及華立投資股權之獨家購買權。
- (4) 華立投資委託授予所持中國營運實體的學校舉辦人權利，包括學校舉辦人授權書。
- (5) 華立投資所委任之學校董事委託授予所擁有的中國營運實體的董事權利，包括學校董事授權書。
- (6) 由登記股東（為華立投資股東）配偶作出的配偶承諾。
- (7) 登記股東質押所持有的華立投資股權。
- (8) 張先生對西藏華立的授權書。
- (9) 登記股東委託所擁有的華立投資登記股東權利，包括登記股東授權書。

Summary of the Material Terms of the Structured Contracts

A description of each of the specific agreements that comprise the Structured Contracts (as amended and supplemented from time to time) is set out below.

(1) Business Cooperation Agreement

Pursuant to the Business Cooperation Agreement, XZ Huali shall provide technical services, management support and consulting services, necessary for the private education business, and in return, Huali Investment and the PRC Operating Entities shall make payments pursuant to the Structured Contracts.

To ensure the due performance of the Structured Contracts, each of the PRC Operating Entities and Huali Investment agreed to comply, and procure its subsidiaries to comply, with the obligations as prescribed under the Business Cooperation Agreement set forth as follows in relation to the respective PRC Operating Entity:

- (i) to carry out its private education operations and the business of Huali Investment in a prudent and efficient manner in accordance with good financial and business standards while maintaining the asset value of Huali Investment and the PRC Operating Entities and the quality and standard of private education;
- (ii) to prepare school development plans and annual working plans in accordance with the instructions of XZ Huali;
- (iii) to carry out its private education activities and other relevant business under the assistance of XZ Huali;
- (iv) to carry out relevant business and manage its daily operations and financial management in accordance with the recommendations, advice, principles and other instructions of XZ Huali;
- (v) to execute and act upon the recommendations of XZ Huali in terms of employment and removal of senior management and staff;
- (vi) to adopt the advice, guidance and plans given by XZ Huali in relation to their respective strategic development; and
- (vii) to carry out its business operations and renew and maintain its respective necessary licenses for the purpose of development of education business.

結構性合約重要條款概要

下文載列結構性合約(不時修訂及補充)所包含的各項具體協議詳情。

(1) 業務合作協議

根據業務合作協議，西藏華立須提供民辦教育業務所需技術服務、管理支持及顧問服務，而華立投資及中國營運實體須根據結構性合約支付費用作為回報。

為確保妥善履行結構性合約，中國營運實體及華立投資各自同意遵守並促使其附屬公司遵守以下業務合作協議所列有關經營中國營運實體的責任：

- (i) 基於良好的財務及業務標準，同時保持華立投資及中國營運實體的資產價值及民辦教育的品質與標準，謹慎有效經營民辦教育業務及華立投資的業務；
- (ii) 按照西藏華立的指示制定學校發展計劃及年度工作計劃；
- (iii) 在西藏華立的協助下經營民辦教育業務及其他相關業務；
- (iv) 按照西藏華立的建議、意見、原則及其他指示經營相關業務及處理日常營運與財務管理；
- (v) 執行西藏華立所提出有關任免高級管理人員及員工的建議並據其行事；
- (vi) 採納西藏華立所提出有關策略發展的建議、指引及計劃；及
- (vii) 經營業務及更新與維持發展教育業務所必要的牌照。

Directors' Report 董事會報告

In addition, pursuant to the Business Cooperation Agreement,

- (a) the Registered Shareholder undertakes to XZ Huali that, in the event of death, loss of or restriction on capacity, divorce or other circumstances which may affect the exercise of their equity interest in Huali Investment, they shall have made all necessary arrangements and sign all necessary documents such that their respective successor, guardian, spouse, and any other person who may as a result of any of the above events obtain the equity interest or relevant rights shall not prejudice or hinder the enforcement of the Structured Contracts;
- (b) Huali Investment and the Registered Shareholder undertakes that, in the event of dissolution or liquidation of the PRC Operating Entities or Huali Investment, (i) XZ Huali and/or its authorized person shall have the rights to exercise all of the School Sponsor's rights on behalf of Huali Investment and the shareholders' interest in Huali Investment; (ii) Huali Investment and/or its shareholder shall transfer all assets received or receivable in its capacity as School Sponsor of each of the PRC Operating Entities and/or as the shareholder of Huali Investment as a result of the dissolution or liquidation of the PRC Operating Entities and/or Huali Investment to XZ Huali or other persons designated by us at nil consideration, (iii) if consideration is required for such transfer under the then applicable PRC laws, Huali Investment and its shareholder shall compensate XZ Huali and/or the person as designated by us the amount by proper means and guarantee that XZ Huali and/or other persons as designated by us does not suffer any loss; and
- (c) Huali Investment and the PRC Operating Entities agreed that, without the prior written consent of XZ Huali, Huali Investment and/or any of the PRC Operating Entities shall not declare or pay to its shareholders any bonus, returns, dividend or other interest or benefit. In the event that the Registered Shareholder as shareholder of Huali Investment or Huali Investment receive any bonus, returns, dividend or other interest or benefit, the Registered Shareholder or Huali Investment shall unconditionally and without compensation, transfer such amount to a specific account designated by XZ Huali as security for the performance of obligations under the Structured Contracts and repayment of debt.

此外，根據業務合作協議，

- (a) 登記股東向西藏華立承諾，倘因身故、喪失能力或行為障礙、離異或其他情況而可能影響行使所持華立投資股權，會作出所有必要安排及簽署所有必要文件，避免彼等各自的繼承人、監護人、配偶及因上述事件而獲得股權或有關權利的任何其他人士損害或阻礙結構性合約的履行；
- (b) 華立投資及登記股東承諾，倘中國營運實體或華立投資解散或清盤，(i)西藏華立及／或其授權人士可代表華立投資行使一切學校舉辦人權利並擁有股東於華立投資的權益；(ii)華立投資及／或其股東因中國營運實體及／或華立投資解散或清盤而向西藏華立或我們指定的其他人士無償轉讓作為各中國營運實體的學校舉辦人及／或華立投資的股東而已收或應收的全部資產；(iii)倘根據當時適用的中國法律，該等轉讓須支付代價，則華立投資及其股東將以合理方式補償西藏華立及／或我們指定的人士有關金額，並保證西藏華立及／或我們指定的其他人士不會蒙受任何損失；及
- (c) 華立投資及中國營運實體同意，未經西藏華立事前書面同意，華立投資及／或任何中國營運實體不會向股東宣派或支付任何花紅、回報、股息或其他利益或福利。倘作為華立投資股東的登記股東或華立投資收取任何花紅、回報、股息或其他利益或福利，則登記股東或華立投資會無條件及無償將有關金額轉至西藏華立指定的具體賬戶，作為履行結構性合約之責任及償還債務的擔保。

(2) Exclusive Technical Service and Management Consultancy Agreement

Pursuant to the Exclusive Technical Service and Management Consultancy Agreement, XZ Huali has agreed to provide exclusive technical services to Huali Investment and the PRC Operating Entities, including but not limited to, (a) design, development, update and maintenance of educational software for computer and mobile devices; (b) design, development, update and maintenance of webpages and websites necessary for the education activities of Huali Investment and the PRC Operating Entities; (c) design, development, update and maintenance of management information systems necessary for the education activities of Huali Investment and the PRC Operating Entities; (d) provision of other technical support necessary for the education activities of Huali Investment and the PRC Operating Entities; (e) provision of technical consulting services; (f) provision of technical training; (g) engaging technical staff to provide on-site technical support; and (h) providing other technical services reasonably requested by Huali Investment and the PRC Operating Entities.

Furthermore, XZ Huali has agreed to provide exclusive management consultancy services to Huali Investment and the PRC Operating Entities, including but not limited to, (a) design of curriculum; (b) preparation, selection and/or recommendation of course materials; (c) provision of teacher and staff recruitment and training support and services; (d) provision of student recruitment support and services; (e) provision of public relation services; (f) preparation of long-term strategic development plans and annual working plans; (g) development of financial management systems and recommendation and optimization on annual budget; (h) advising on design of internal structures and internal management; (i) provision of management and consultancy training; (j) conduct of market research; (k) preparation of market development plan; (l) building of education management network and (m) providing other technical services reasonably requested by Huali Investment and the PRC Operating Entities.

In consideration of the technical and management consultancy services provided by XZ Huali, each of Huali Investment and the PRC Operating Entities agreed to pay XZ Huali a service fee equal to all of their respective amount of net profit (after deducting all costs, expenses, taxes, losses from the previous year (if required by law) and the legally compulsory development fund of the respective school/statutory surplus reserve (if required by law)); XZ Huali has the right (but not the obligation) to adjust the amount of such service fee by reference to the actual services provided and the actual business operations and needs of Huali Investment and the PRC Operating Entities, provided that any adjusted amount shall not exceed the amount mentioned above. Huali Investment and the PRC Operating Entities do not have any right to make any such adjustment.

(2) 獨家技術服務及管理諮詢協議

根據獨家技術服務及管理諮詢協議，西藏華立同意向華立投資及中國營運實體提供獨家技術服務，包括但不限於(a)設計、開發、更新及維護計算機及移動設備教育軟件；(b)設計、開發、更新及維護華立投資及中國營運實體經營教育活動所需網頁及網站；(c)設計、開發、更新及維護華立投資及中國營運實體經營教育活動所需管理信息系統；(d)提供華立投資及中國營運實體經營教育活動所需其他技術支持；(e)提供技術顧問服務；(f)提供技術培訓；(g)安排技術人員提供現場技術支持；及(h)提供華立投資及中國營運實體合理要求的其他技術服務。

此外，西藏華立同意向華立投資及中國營運實體提供獨家管理顧問服務，包括但不限於(a)課程設計；(b)製作、篩選及／或推薦課程資料；(c)提供教師及員工招聘、培訓協助及服務；(d)提供招生協助及服務；(e)提供公關服務；(f)制定長期策略發展計劃及年度工作計劃；(g)制定財務管理制度及就年度預算提供建議與改進方案；(h)對內部結構及內部管理設計獻策；(i)提供管理及顧問培訓；(j)市場調查；(k)制定市場開發方案；(l)建立教育管理網絡；及(m)提供華立投資及中國營運實體合理要求的其他技術服務。

對於西藏華立提供的技術及管理顧問服務，華立投資及中國營運實體各自同意向西藏華立支付相當於彼等各自全部純利(扣除各學校上年所有成本、費用、稅項、損失(如法律有規定)及合法義務教育發展基金／法定盈餘儲備(如法律有規定))的服務費；西藏華立有權(但無責任)根據所提供的實際服務及華立投資及中國營運實體的實際業務營運與需求調整相關服務費金額，惟任何調整後的金額不得超過上述金額。華立投資及中國營運實體無權作出任何上述調整。

Directors' Report 董事會報告

Pursuant to the Exclusive Technical Service and Management Consultancy Agreement, unless otherwise prescribed under PRC laws and regulations, XZ Huali shall have exclusive proprietary rights to any intellectual property of the technology developed and materials prepared in the course of the provision of research and development, technical support and services by XZ Huali to Huali Investment and the PRC Operating Entities, and any intellectual property in the products developed, including any other rights derived thereunder, in the course of performance of obligations under the Exclusive Technical Service and Management Consultancy Agreement and/or any other agreements entered into between XZ Huali and other parties.

(3) Exclusive Call Option Agreement

Under the Exclusive Call Option Agreement, the Registered Shareholder and Huali Investment have irrevocably granted XZ Huali or its designated purchaser the right to purchase all or part of the investment/School Sponsor's interest of Huali Investment in the PRC Operating Entities ("Call Option"). The purchase price payable by XZ Huali for the transfer of such investment/School Sponsor's interest under the Call Option shall be the lowest price permitted under PRC laws and regulations. XZ Huali or its designated purchaser shall have the right to purchase such proportion of the investment/School Sponsor's interest of the PRC Operating Entities as it decides at any time.

(4) School Sponsor's and Directors' Rights Entrustment Agreement

Pursuant to the School Sponsor's and Directors' Rights Entrustment Agreement, Huali Investment has irrevocably authorized and entrusted XZ Huali to exercise all its rights as School Sponsor of each of the PRC Operating Entities to the extent permitted by the PRC laws. These rights include, but are not limited to: (a) the right to appoint and/or elect directors or council members of the PRC Operating Entities; (b) the right to appoint and/or elect supervisors of the PRC Operating Entities; (c) the right to understand the operation and financial situation of the PRC Operating Entities; (d) the right to review the resolutions and records of the board of directors and financial statements and reports of the PRC Operating Entities; (e) the right to obtain reasonable return (if existing) or profits as School Sponsor of the PRC Operating Entities in accordance with relevant laws; (f) the right to acquire residual assets upon liquidation of the schools in accordance with relevant laws; (g) the right to transfer the School Sponsor's interest in accordance with relevant laws; (h) the right to approve the management strategy and investment plan; (i) the right to review and approve the annual budget and profit distribution plan; and (j) other School Sponsor's rights pursuant to applicable PRC laws and regulations and the articles of association of the PRC Operating Entities as amended from time to time.

根據獨家技術服務及管理諮詢協議，除非中國法律法規另有規定，否則西藏華立對西藏華立向華立投資及中國營運實體提供研發、技術支持及服務過程中所開發技術及所編製資料的任何知識產權，及在履行獨家技術服務及管理諮詢協議及／或西藏華立與其他方所訂立任何其他協議所涉責任過程中所開發產品的任何知識產權（包括任何其他衍生權利），擁有獨家所有權。

(3) 獨家購買權協議

根據獨家購買權協議，登記股東及華立投資不可撤銷地授權西藏華立或其指定買家購買華立投資於中國營運實體的全部或部分投資／學校舉辦人權益（「購買權」）。西藏華立根據購買權所轉讓投資／學校舉辦人權益而應付的購買價須為中國法律法規准許的最低價。西藏華立或其指定買家有權隨時按其決定之比例購買中國營運實體的投資／學校舉辦人權益。

(4) 學校舉辦者及董事權利委託協議

根據學校舉辦者及董事權利委託協議，華立投資不可撤銷地授權及委託西藏華立行使其作為各中國營運實體學校舉辦人之所有權利，惟以中國法律准許者為限。該等權利包括但不限於：(a)委任及／或選舉中國營運實體董事或理事會委員的權利；(b)委任及／或選舉中國營運實體監事的權利；(c)對中國營運實體運作及財務狀況的知情權；(d)審閱中國營運實體董事會決議及會議紀錄與財務報表及報告的權利；(e)依法取得作為中國營運實體學校舉辦人之合理回報（如有）或利潤的權利；(f)依法收購學校清盤後剩餘資產的權利；(g)依法轉讓學校舉辦人權益的權利；(h)批准管理策略及投資方案的權利；(i)審批年度預算及利潤分派方案的權利；及(j)相關中國法律法規及中國營運實體不時修訂之組織章程細則所載其他學校舉辦人權利。

Pursuant to the School Sponsor's and Directors' Rights Entrustment Agreement, the School Directors have irrevocably authorized and entrusted XZ Huali to exercise all their rights as directors of the PRC Operating Entities as appointed or nominated by Huali Investment and to the extent permitted by the PRC laws. These rights include, but are not limited to: (a) the right to attend meetings of the board of directors as representative of the directors appointed or nominated by Huali Investment; (b) the right to exercise voting rights in respect of all matters discussed and resolved at board meetings of each of the PRC Operating Entities; (c) the right to propose to convene interim board meetings of each of the PRC Operating Entities; (d) the right to sign all board minutes, board resolutions and other legal documents to which the directors appointed by Huali Investment have authority to sign in his/her capacity as directors of the PRC Operating Entities; (e) the right to instruct the legal representative and financial and business responsible persons of the PRC Operating Entities to act in accordance with the instruction of XZ Huali; (f) the right to exercise all other rights and voting rights of directors as prescribed under the articles of association of the PRC Operating Entities; (g) the right to handle the legal procedures of registration, approval and licensing of the PRC Operating Entities at the education department, the department of civil affairs or other government regulatory departments; and (h) other directors' rights pursuant to applicable PRC laws and regulations and the articles of association of the PRC Operating Entities as amended from time to time.

In addition, each of Huali Investment and the School Directors have irrevocably agreed that (i) XZ Huali may delegate its rights under the School Sponsor's and Directors' Rights Entrustment Agreement to the directors of XZ Huali or its designated person, without prior notice to or approval by Huali Investment and the School Directors; and (ii) any person as successor of civil rights of XZ Huali or liquidator by reason of subdivision, merger, liquidation of XZ Huali or other circumstances shall have authority to replace XZ Huali to exercise all rights under the School Sponsor's and Directors' Rights Entrustment Agreement.

(5) School Sponsor's Power of Attorney

Pursuant to the School Sponsor's Power of Attorney executed by Huali Investment in favor of XZ Huali, Huali Investment authorized and appointed XZ Huali as its agent to act on its behalf to exercise or delegate the exercise of all its rights as School Sponsor of each of the PRC Operating Entities. For details of the rights granted, see "— Summary of the Material Terms of the Structured Contracts — (4) School Sponsor's and Directors' Rights Entrustment Agreement" of this report.

XZ Huali has the right to further delegate the rights so delegated to directors of XZ Huali or to another designated person. Huali Investment has irrevocably agreed that the authorization and appointment in the School Sponsor's Power of Attorney shall not be invalidated, revoked, prejudiced or otherwise adversely affected by reason of Huali Investment's subdivision, merger, winding up, consolidation, liquidation or other similar events. The School Sponsor's Power of Attorney shall constitute a part and incorporate terms of the School Sponsor's and Directors' Rights Entrustment Agreement.

根據學校舉辦者及董事權利委託協議，學校董事不可撤銷地授權及委託西藏華立行使其作為華立投資委任或提名之中國營運實體董事的所有權利，惟以中國法律准許者為限。該等權利包括但不限於：(a)以華立投資委任或提名之董事代表身份出席董事會會議的權利；(b)對各中國營運實體董事會會議討論及決議之一切事項行使表決權的權利；(c)提議召開各中國營運實體臨時董事會會議的權利；(d)簽署所有董事會會議紀錄、董事會決議及其他法律文件的權利(華立投資委任之董事有權以中國營運實體董事的身份簽署)；(e)指導中國營運實體之法人代表及財務與業務負責人根據西藏華立的指示行事的權利；(f)行使中國營運實體組織章程細則所列一切其他權利及董事表決權的權利；(g)處理中國營運實體於教育部門、民政廳或其他政府監管部門發生之登記、審批及領牌之法律程序的權利；及(h)相關中國法律法規及中國營運實體不時修訂之組織章程細則所載其他董事權利。

此外，華立投資及學校董事均不可撤銷地同意(i)西藏華立可委託西藏華立董事或其指定人士行使於學校舉辦者及董事權利委託協議的權利，而毋須事先通知華立投資與學校董事亦毋須其批准；及(ii)作為西藏華立民事權利繼承人之任何人士或分立、合併、清算西藏華立或其他情況所涉清算人有權代替西藏華立行使學校舉辦者及董事權利委託協議所涉一切權利。

(5) 學校舉辦人授權書

根據華立投資以西藏華立為受益人簽訂之學校舉辦人授權書，華立投資授權及委任西藏華立作為代理，代為行使或委託行使其作為各中國營運實體學校舉辦人的一切權利。有關所授權利之詳情，請參閱本報告「— 結構性合約重要條款概要 — (4)學校舉辦者及董事權利委託協議」。

西藏華立有權進一步將獲授權利委託予西藏華立董事或其他指定人士。華立投資不可撤銷地同意，學校舉辦人授權書所涉授權及委託不得因華立投資拆分、兼併、清盤、合併、清算或其他類似事件而失效、撤回、受損或受到其他不利影響。學校舉辦人授權書屬於學校舉辦者及董事權利委託協議的一部分且包含該委託協議的條款。

(6) School Directors' Power of Attorney

Pursuant to the School Directors' Power of Attorney executed by each of the School Directors in favor of XZ Huali, each of the School Directors, authorized and appointed XZ Huali, as his agent to act on his behalf to exercise or delegate the exercise of all his rights and functions as director of the PRC Operating Entities. For details of the rights granted, please refer to the section headed "— Summary of the Material Terms of the Structured Contracts — (4) School Sponsor's and Directors' Rights Entrustment Agreement" in this report for more details.

XZ Huali shall have the right to further delegate the rights so delegated to directors of XZ Huali or to another designated person. XZ Huali shall not delegate any of these rights to anyone whose interest would potentially conflict with those of the Group. Each of the School Directors has irrevocably agreed that, unless the Appointee ceases to be a director of XZ Huali, the authorization appointment in the School Directors' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of his loss of or restriction on capacity, death or other similar events. The School Directors' Power of Attorney shall constitute a part and incorporate terms of the School Sponsor's and Directors' Rights Entrustment Agreement.

(7) Spouse Undertaking

Pursuant to the Spouse Undertaking, the spouse of the Registered Shareholder has irrevocably undertaken that:

- (a) she has full knowledge of and has consented to the entering into of the Structured Contracts by the relevant Registered Shareholder, and in particular, the arrangements set out in the Structured Contracts in relation to the restrictions imposed on the equity interest in Huali Investment, the pledge or transfer of the equity interest in Huali Investment, and the disposal of the equity interest in Huali Investment in any other form;
- (b) she has not, is not and shall not in the future participate in the operation, management, liquidation, dissolution and other matters in relation to Huali Investment and the PRC Operating Entities;
- (c) she authorizes the respective Registered Shareholder and/or his authorized person to execute all necessary documents and perform all necessary procedures from time to time for and on behalf of the spouse in relation to the spouse's equity interest in Huali Investment in order to safeguard the interest of XZ Huali under the Structured Contracts and give effect to the fundamental purposes thereunder, and confirms and agrees to all such documents and procedures;

(6) 學校董事授權書

根據各學校董事以西藏華立為受益人簽訂之學校董事授權書，各學校董事授權及委任西藏華立作為代理代為行使或委託行使其作為中國營運實體董事的一切權利及職能。有關所授權利之詳情，請參閱本報告「— 結構性合約重要條款概要 — (4)學校舉辦者及董事權利委託協議」一節。

西藏華立有權進一步將獲授權利委託予西藏華立董事或其他指定人士。西藏華立不得向任何可能與本集團有利益衝突的人士授出任何上述權利。各學校董事不可撤銷地同意，除非獲委任人不再為西藏華立的董事，學校董事授權書所涉授權委託不得因有關人士喪失能力或行為障礙、身故或其他類似事件而失效、受損或受到其他不利影響。學校董事授權書屬於學校舉辦者及董事權利委託協議的一部分且包含該委託協議的條款。

(7) 配偶承諾

根據配偶承諾，登記股東的配偶不可撤銷地承諾：

- (a) 配偶完全知悉並同意相關登記股東簽訂結構性合約，尤其是結構性合約所載有關於華立投資的股權所受限制、質押或轉讓於華立投資的股權或以任何其他形式處理於華立投資的股權之安排；
- (b) 配偶未曾、並無且不會參與華立投資及中國營運實體的營運、管理、清盤、解散及其他事項；
- (c) 配偶授權各登記股東及／或其授權人士不時為及代表配偶就配偶於華立投資的股權簽訂所有必要文件及執行所有必要程序，以保護結構性合約所涉西藏華立權益並達成所涉宗旨。配偶確認及同意一切相關文件及程序；

- (d) any undertaking, confirmation, consent and authorization under the Spouse Undertaking shall not be revoked, prejudiced, invalidated or otherwise adversely affected by any increase, decrease, consolidation or other similar events relating to the equity interest held by the Registered Shareholder in Huali Investment;
- (e) any undertaking, confirmation, consent and authorization under the Spouse Undertaking shall not be revoked, prejudiced, invalidated or otherwise adversely affected by the death, loss of or restriction on capacity of the spouse, divorce or other similar events; and
- (f) all undertakings, confirmations, consents and authorizations under the Spouse Undertaking shall continue to be valid and binding until otherwise terminated by both XZ Huali and the spouse in writing.
- (d) 配偶承諾所涉任何承諾、確認、同意及授權不得因登記股東所持華立投資的股權增加、減少、合併或其他類似事件而遭撤銷、損害、失效或受到其他不利影響；
- (e) 配偶承諾所涉任何承諾、確認、同意及授權不得因配偶身故、喪失能力或行為障礙、離異或其他類似事件而遭撤銷、損害、失效或受到其他不利影響；及
- (f) 於西藏華立與配偶書面終止配偶承諾所涉任何承諾、確認、同意及授權之前，該等承諾、確認、同意及授權仍具效力及約束力。

The Spouse Undertaking shall have the same term as and incorporate the terms of the Business Cooperation Agreement.

配偶承諾的年期與業務合作協議相同並包含該協議條款。

(8) Equity Pledge Agreement

Pursuant to the Equity Pledge Agreement, the Registered Shareholder unconditionally and irrevocably pledged and granted first priority security interests over all of his equity interest in Huali Investment together with all related rights thereto to XZ Huali as security for the performance of obligations of the Registered Shareholder, Huali Investments and the PRC Operating Entities under the Structured Contracts and all direct, indirect, consequential damages and foreseeable loss of interest incurred by XZ Huali as a result of the any event of default (if any) on the part of the Registered Shareholder, Huali Investment or each of the PRC Operating Entities and all expenses incurred by XZ Huali as a result of enforcement of the obligations of the Registered Shareholder, Huali Investment and/or each of the PRC Operating Entities under the Structured Contracts (the “**Secured Indebtedness**”).

(8) 股權質押協議

根據股權質押協議，登記股東無條件且不可撤回地抵押於華立投資的全部股權及一切相關權利並授出相關優先抵押權予西藏華立作為抵押品，保證登記股東、華立投資及中國營運實體履行結構性合約規定的責任及擔保西藏華立因登記股東、華立投資或各中國營運實體違約(如有)而蒙受的一切直接、間接或後果性損失及可預期權益損失，以及西藏華立因登記股東、華立投資及/或各中國營運實體根據結構性合約履行責任而產生的一切開支(「**有抵押負債**」)。

Pursuant to the Equity Pledge Agreement, without the prior written consent of XZ Huali, the Registered Shareholder shall not transfer its equity interest or create any further pledge or encumbrance over the pledged equity interest. Any unauthorized transfer shall be invalid, and the proceeds of any transfer of the equity interest shall be first used in the payment of the Secured Indebtedness or deposited with such third party as agreed by XZ Huali. The Registered Shareholder also waived any pre-emptive rights upon enforcement and agreed to any transfer of the pledged equity pursuant to the equity pledge agreement.

根據股權質押協議，未經西藏華立事先書面同意，登記股東不得轉讓股權或就有抵押股權進一步設置質押或產權負擔。任何未獲授權轉讓均屬無效，轉讓任何股權所得款項須首先用作償還有抵押負債或存放於西藏華立同意的第三方。此外，根據股權質押協議，登記股東放棄執行任何優先購買權，同意轉讓任何有抵押權益。

The pledge under the Equity Pledge Agreement was registered with the Guangzhou Administration for Industry and Commerce (now known as Guangzhou Market Supervisory Authority) on September 13, 2018 and the Secured Indebtedness became effective on the same date.

根據股權質押協議進行的質押於2018年9月13日向廣州市工商行政管理局(現稱廣州市市場監督管理局)登記，而有抵押負債於同日生效。

(9) Registered Shareholder's Rights Entrustment Agreement and Registered Shareholder's Power of Attorney

According to the Registered Shareholder's Rights Entrustment Agreement and Registered Shareholder's Power of Attorney, Mr. Zhang, as the Registered Shareholder has executed a power of attorney irrevocably entrusting and authorizing XZ Huali or its designated person as his agent to act on his behalf to exercise all his rights as a shareholder of Huali Investment in respect of the PRC Operating Entities under the articles of association of Huali Investment and pursuant to the relevant PRC laws and regulations, including but not limited to the rights to:

- (a) determine the business objectives and investment plans of Huali Investment;
- (b) elect and change non-staff representative directors and supervisors of Huali Investment who are responsible for the operation of the PRC Operating Entities and to fix their remuneration;
- (c) consider and approve the report of directors of Huali Investment;
- (d) consider and approve the report of supervisors of Huali Investment;
- (e) consider and approve the annual financial budget and final accounts of Huali Investment;
- (f) consider and approve plans for profit sharing and loss recovery of Huali Investment;
- (g) increase or decrease the registered capital of Huali Investment;
- (h) issue bonds of Huali Investment;
- (i) merge, subdivide, dissolve, wind-up or change the form of corporate organization of Huali Investment;
- (j) amend the articles of association of Huali Investment; and
- (k) conduct any other matters that are empowered by the articles of association of Huali Investment.

(9) 登記股東權利委託協議及登記股東授權書

根據登記股東權利委託協議及登記股東授權書，張先生(作為登記股東)已不可撤銷地簽訂授權書，委託及授權西藏華立或其指定人士作為代理，根據華立投資的組織章程細則及有關的中國法律法規，代為行使下列作為華立投資股東有關中國營運實體的所有權利，包括但不限於：

- (a) 決定華立投資的業務方針及投資計劃；
- (b) 選舉及更換華立投資負責中國營運實體業務的非僱員代表董事及監事並釐定彼等的薪酬；
- (c) 審批華立投資董事報告；
- (d) 審批華立投資監事報告；
- (e) 審批華立投資年度財政預算及決算；
- (f) 審批華立投資的利潤分配及虧損補償方案；
- (g) 增加或減少華立投資的註冊資本；
- (h) 發行華立投資債券；
- (i) 合併、分立、解散、清盤或更變華立投資的公司組織形式；
- (j) 修改華立投資組織章程細則；及
- (k) 處理獲華立投資組織章程細則授權處理的任何其他事宜。

Business activities of the PRC Operating Entities

The PRC Operating Entities are, namely, Huali College, Huali Vocational College and Huali technician College. Their business activities are primarily engaged in higher education services and vocational education services.

Significance and financial contributions of the PRC Operating Entities to the Group

Pursuant to the Structured Contracts, the Group obtains control over and derives the economic benefits from the PRC Operating Entities and School Sponsors. The table below sets out the financial contribution of the PRC Operating Entities and the School Sponsors to the Group:

中國營運實體的業務活動

中國營運實體為華立學院、華立職業學院及華立技師學院。其業務活動為主要從事高等教育服務及職業教育服務。

中國營運實體對本集團的重要性及財務貢獻

根據結構性合約，本集團從中國營運實體及學校舉辦人取得控制權並獲取經濟利益。下表載列中國營運實體及學校舉辦人對本集團的財務貢獻：

		Significance and financial contribution to the Group 對本集團的重要性及財務貢獻	
		Revenue 收入	Total Assets 總資產
		For the year ended 截至2020年 8月31日止年度	For the year ended 截至2020年 8月31日止年度
Significance and financial contribution to the Group %	對本集團的重要性及財務貢獻(%)	100%	89.8%

Revenue and assets involved in the Structured Contracts

結構性合約涉及的收入及資產

		Revenue 收入	Assets 資產
		RMB'000 人民幣千元	RMB'000 人民幣千元
		For the year ended 截至2020年 8月31日止年度	As at 於2020年 8月31日
PRC Operating Entities and the School Sponsors	中國營運實體及學校舉辦人	761,481	4,541,192

Regulatory Framework

Pursuant to the Foreign Investment Industries Guidance Catalogue (as amended in 2017) (《外商投資產業指導目錄》(2017年修訂)) (the “**Foreign Investment Industries Guidance Catalogue**”), the provision of higher education in the PRC falls within the “restricted” category. In particular, the Foreign Investment Industries Guidance Catalogue explicitly restricts higher education institutions to Sino-foreign cooperation, meaning that foreign investors may only operate higher education institutions through cooperating with PRC-incorporated entities that are in compliance with the Regulations on Sino-foreign Cooperative Education of the PRC (《中華人民共和國中外合作辦學條例》) (the “**Sino-Foreign Regulations**”). In addition, the Foreign Investment Industries Guidance Catalogue provides that the domestic party shall play a dominant role in the Sino-foreign cooperation, meaning that (a) the principal or other chief executive officer of the schools or education institutions shall be a PRC national, and (b) the representatives of the domestic party shall account for no less than 50% of the total number of the members of the board of directors, the executive council or the joint administration committee of the Sino-foreign school.

On June 30, 2019, the National Development and Reform Commission of the PRC and the Ministry of Commerce of the PRC jointly promulgated the Foreign Investment Access Special Management Measures (Negative List) (2019 Version) (《外商投資准入特別管理措施(負面清單)(2019年版)》) (the “**Negative List**”), which became effective on July 30, 2019 and replaced the Foreign Investment Industries Guidance Catalogue. Pursuant to the Negative List, the restrictions on foreign investments in higher education remain unchanged.

In relation to the interpretation of Sino-foreign cooperation, pursuant to the Sino-Foreign Regulations, the foreign investor in a Sino-foreign school (whether a kindergarten, high school or higher education institution) (a “**Sino-Foreign School**”) must be a foreign educational institution with relevant qualification and high quality of education (the “**Higher Education Qualification Requirement**”). Pursuant to the Administrative Measures for the Sino-Foreign Cooperative Education on Vocational Skills Training (《中外合作職業技能培訓辦學管理辦法》), the foreign investor in a Sino-foreign technical school must be a foreign education institution or a foreign vocational skills training institution with relevant qualification and high quality of education (the “**Vocational Education Qualification Requirement**”), together with the Higher Education Qualification Requirement, the “**Qualification Requirement**”). Furthermore, pursuant to the Implementation Opinions of the MOE on Encouraging and Guiding the Entry of Private Capital in the Fields of Education and Promoting the Healthy Development of Private Education (《教育部關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》), the foreign portion of the total investment in a Sino-Foreign School should be below 50% and the establishment of these schools is subject to approval of education authorities at the provincial or national level.

監管框架

根據《外商投資產業指導目錄》(2017年修訂)(《外商投資產業指導目錄》),於中國提供高等教育屬於「受限制」類別。尤其是,《外商投資產業指導目錄》明確限制中外合辦的高等教育機構,意味著外資方僅可通過與按照《中華人民共和國中外合作辦學條例》(《中外合作辦學條例》)於中國註冊成立的實體合作經營高等教育機構。此外,《外商投資產業指導目錄》規定,國內合作方應在中外合作中起主導作用,即(a)學校或教育機構的校長或其他主要行政負責人應為中國公民;及(b)國內合作方代表應不少於中外合作學校董事會、執行理事會或聯合管理委員會成員總數的50%。

於2019年6月30日,中國國家發展和改革委員會及中國商務部聯合發佈《外商投資准入特別管理措施(負面清單)(2019年版)》(《負面清單》),於2019年7月30日生效並取代《外商投資產業指導目錄》。根據負面清單,外商投資高等教育的限制保持不變。

對於中外合作辦學的定義,根據《中外合作辦學條例》,中外合作學校(不論是幼兒園、高中或高等教育機構)(《中外合作學校》)的外國投資者須為具備相應的辦學資格和較高的辦學質量(《高等教育資質要求》)的外國教育機構。根據《中外合作職業技能培訓辦學管理辦法》,中外合作技工學校的外國投資者須為具備相應資格和較高教育質量(《職業教育資質要求》,連同高等教育資質要求統稱「資質要求」)的外國教育機構或外國職業技能培訓機構。此外,根據《教育部關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》,中外合作學校總投資的外資部分應低於50%,且此等學校的成立須獲得省級或國家教育部門批准。

The Company's PRC legal adviser has advised that the laws and regulations are currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant authority that it meets the Qualification Requirement. Notwithstanding the foregoing, the Company is committed to working towards meeting the Qualification Requirement and has implemented a business plan to ensure our compliance with the Qualification Requirement and with a view to expanding our education operations overseas. In 2017, the Company established a wholly-owned subsidiary in the State of California, the United States, for the operation and management of our education business in the State of California. The Company also engaged an independent education consultant with extensive experience and background in private post-secondary education to advise on and assist the Company in the establishment of our institution in the State of California. We have submitted a licensing application to the Bureau for Private Post-secondary Education in the State of California. As at the date of this annual report, we had not yet obtained the relevant licence. We will continue to disclose our progress in the implementation of our overseas expansion plans and updates to the Qualification Requirement in our annual and interim reports.

Risks associated with the Structured Contracts and the actions taken to mitigate the risks

The PRC government may find that the contracts that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, which may subject us to severe penalties and our business may be materially and adversely affected. The Contractual Arrangements may be subject to the scrutiny of the PRC tax authorities and additional tax may be imposed, which may materially and adversely affect our results of operations.

The Structured Contracts may not be as effective in providing us with control over our consolidated affiliated entities as direct ownership. The beneficial owners of our consolidated affiliated entities may have conflicts of interest with us, which may materially and adversely affect our business and financial condition. The sponsor interests in our all three schools held by Huali Investment are not capable of being pledged in favour of our WFOE under the PRC laws. Our Structured Contracts with respect to these schools contain alternative arrangements that may not achieve the level of protection equivalent to typical structured contracts with equity pledge arrangements.

本公司的中國法律顧問告知，目前法律法規仍未明確外資方為向有關當局證明已符合資質要求而須符合的特定具體標準(例如經驗年期及於外國司法管轄區的擁有權形式及範圍)。儘管如此，本公司仍致力達致資質要求並已實施商業計劃，以確保我們符合資質要求。為將我們的教育業務拓展到海外，於2017年，本公司於美國加利福尼亞州成立全資附屬公司，負責我們於加利福尼亞州教育業務的營運及管理。本公司亦已委聘一名在私立高等教育方面具有豐富經驗及背景的獨立教育顧問，就在加利福尼亞州設立機構為本公司提供意見及協助。我們已向加利福尼亞州私立高等教育局提交許可申請，截至本年報日期，我們尚未取得相關許可。我們將繼續於年報及中期報告披露海外擴張計劃的進展及資質要求的最新變化。

與結構性合約有關的風險及為減輕風險而採取的行動

中國政府可能認定確立我們在中國經營業務的結構的合約不符合適用的中國法律法規，這可能使我們受到嚴厲處罰，我們的業務可能受到重大不利影響。合約安排可能受到中國稅務機關的審查，且可能需繳納額外稅款，這可能對我們的經營業績造成重大不利影響。

在向我們提供對綜合入賬關連實體的控制權方面，結構性合約可能不如直接擁有權有效。綜合入賬關連實體的實益擁有人可能與我們存在利益衝突，這可能對我們的業務及財務狀況造成重大不利影響。根據中國法律，華立投資持有的我們所有三所學校的出資人權益不能質押予我們的外商獨資企業。我們有關該等學校的結構性合約包含替代安排，有關安排在權益質押安排方面可能無法實現與一般結構性合約相同的保護水平。

Directors' Report

董事會報告

Our exercise of the option to acquire the sponsor interests or equity interests of our consolidated affiliated entities may be subject to certain limitations and we may incur substantial costs. Any failure by our consolidated affiliated entities or their respective School Sponsors/shareholders to perform their obligations under our Structured Contracts would potentially lead to the incurrence of additional costs and the expending of substantial resources on our part to enforce such arrangements, temporary or permanent loss of control over our primary operations or loss of access to our primary sources of revenue.

We rely on dividend and other payments from WFOE to pay dividends and other cash distributions to our Shareholders and any limitation on the ability of WFOE to pay dividends to us would materially and adversely limit our ability to pay dividends to our Shareholders. If any of our consolidated affiliated entities becomes subject to winding up or liquidation proceedings, we may lose the ability to use and enjoy certain important assets held by our consolidated affiliated entities, which could negatively impact our business and materially and adversely affect our ability to generate revenue.

The Board will review the Structured Contracts at least once a year to ensure the effective implementation of the Structured Contracts and compliance with the relevant terms.

Material changes

As of the date of this annual report, there were no material changes in the Structured Contracts and/or the circumstances under which the Structured Contracts were adopted.

Unwinding of the Structured Contracts

As of the date of this annual report, there has not been any unwinding of any Structured Contracts, nor has there been any failure to unwind any Structured Contracts when the restrictions that led to the adoption of the Structured Contracts are removed. In the event that the PRC regulatory environment changes and all of the Qualification Requirement, the Foreign Ownership Restriction and the Foreign Control Restriction are removed (and assuming there are no other changes in the relevant PRC laws and regulations), XZ Huali will exercise the relevant call option in full to unwind the contractual arrangements so that the Company will be able to directly operate the schools without using the Structured Contracts.

我們行使選擇權收購綜合入賬關連實體的出資人權益或股權可能受到若干限制，且我們可能產生額外成本。綜合入賬關連實體或彼等各自的學校舉辦人／股東未能履行於結構性合約項下的義務，可能令我們為執行該等安排而招致額外成本及耗費大量資源、臨時或永久喪失對我們主要業務的控制權或喪失我們的主要收入來源。

我們依賴外商獨資企業的股息及其他付款來向股東支付股息及其他現金分派。外商獨資企業向我們支付股息的能力如受到任何限制，將對我們向股東支付股息的能力產生重大不利限制。如任何綜合入賬關連實體進行清盤或清算程序，我們可能喪失使用及享受綜合入賬關連實體持有的若干重要資產的能力，這可能對我們的業務造成負面影響，對我們產生收入的能力產生重大不利影響。

董事會將每年審閱結構性合約至少一次，以確保有效實施結構性合約及遵守相關條款。

重大變動

截至本年報日期，結構性合約及／或採納結構性合約的情況並無重大變動。

結構性合約的解除

截至本年報日期，並未解除任何結構性合約，亦未發生在致使採納結構性合約的限制取消時無法解除結構性合約的任何情況。倘中國監管環境變化而所有資質要求、外資擁有權限制及外資控制權限制被取消（假設相關中國法律法規概無其他變動），西藏華立將悉數行使相關購買權，以解除合約安排，使本公司能夠直接經營學校而無須使用結構性合約。

Confirmation of independent non-executive Directors

The independent non-executive Directors have reviewed the Structured Contracts and confirmed that during the year ended August 31, 2020:

- (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Structured Contracts and had been operated so that the profit generated by our PRC Operating Entities had been substantially retained by our Group;
- (ii) no dividends or other distributions had been made by our PRC Operating Entities to the holders of its School Sponsor's interest which were not otherwise subsequently assigned or transferred to our Group; and
- (iii) the Structured Contracts and, if any, any new contracts entered into, renewed or reproduced between our Group and our PRC Operating Entities during the Reporting Period were fair and reasonable, or advantageous, so far as our Group was concerned and in the interests of our Shareholders as a whole.

Confirmation of the Company's auditor

The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended August 31, 2020:

- (a) nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) with respect to the aggregate amount of each of the continuing connected transactions set out in the attached list of continuing connected transactions, nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

None of the Directors or any of their respective associates has engaged in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group during the year ended August 31, 2020.

獨立非執行董事的確認

獨立非執行董事已審閱結構性合約，並確認，於截至2020年8月31日止年度內：

- (i) 該年度內所進行的交易根據結構性合約的相關條文訂立及執行，以令中國營運實體所產生的利潤大部分撥歸本集團所有；
- (ii) 中國營運實體並無向學校舉辦人權益持有人作出任何股息或其他分派，而其後並無另行轉交或轉讓予本集團；及
- (iii) 結構性合約及本集團與中國營運實體於報告期內訂立、重續或套用的任何新合約（如有），對本集團公平合理或有利，且符合股東的整體利益。

本公司核數師的確認

本公司核數師已於致董事會的函件中確認，就於截至2020年8月31日止年度訂立的上述持續關連交易而言：

- (a) 核數師並無注意到任何事項，令其相信所披露的持續關連交易未經董事會批准；
- (b) 就涉及本集團提供商品或服務的交易而言，核數師並無注意到任何事項，令其相信該等交易並非在所有重大方面按照本集團的定價政策進行；
- (c) 核數師並無注意到任何事項，令其相信該等交易並非在所有重大方面按照規管該等交易的相關協議進行；及
- (d) 就隨附的持續關連交易清單所載各持續關連交易總金額而言，核數師並無注意到任何事項，令其相信所披露的持續關連交易已超過本公司設定的年度上限。

董事於競爭業務之權益

截至2020年8月31日止年度內，董事或彼等各自的任何聯繫人概無從事直接或間接與或可能與本集團業務競爭的任何業務或與本集團有任何其他利益衝突。

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, 2020, the Group had 1,640 employees (as at August 31, 2019: 1,922). 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.

僱員及薪酬政策

招聘

我們在招聘過程中嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國就業促進法》、《中華人民共和國勞動爭議調解仲裁法》以及其他適用的省級和地方勞動法律法規。我們禁止因年齡、性別、種族、國籍、宗教或殘疾而歧視員工，以確保所有人享有平等的就業機會及前景。

我們根據現有就讀學生人數規模及每學年初新招收學生人數招聘教師。我們主要尋求招聘(i)具有淵博的理論及實踐知識，並持有必要的學歷和專業資格(即文憑和專業證書)的高素質且經驗豐富的教師；及(ii)具有相關行業工作經驗的教師。我們亦邀請與我們有合作關係的實體的行業專家作為我們學校的兼職教師舉行講座或授課。

我們的學校根據員工手冊及教師招聘政策開展招聘工作，並不斷改進和完善招聘流程。我們通過參加人才招聘會和行業會議而積極接觸人才，並鼓勵員工利用社交媒體推薦人才加入我們。此外，我們向教師提供持續培訓，令其緊跟市場需求變化、新的教學理論及／或方法、不斷變化的教學及測試標準。

薪酬

於2020年8月31日，本集團有1,640名(於2019年8月31日：1,922名)僱員。本集團僱員的薪酬待遇參考個人資歷、經驗及表現、對本集團的貢獻、現行市場標準及我們的薪酬政策釐定。

我們學校的薪酬政策在中國法律指導下制定，基於行業特點以及多項市場因素。我們學校的職工代表大會、校長辦公室及董事會共同批准員工的薪酬範圍。我們的學校根據職能(教師及行政人員)及職位釐定各自的薪酬標準。我們的學校向高級管理層及頂尖人才(如董事、院長／系主任、行政主管及教授)支付固定年薪。我們的學校在相關國家、省級和市級政策指導下參加社會保險計劃(養老、醫療、失業、工傷及生育保險)，並為員工提供各種福利。

REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management, having regard to their relevant experience, duties and responsibilities, performance and achievement, and market rate. None of the Directors will determine their own remuneration. Details of the Directors' remuneration and the five highest paid individuals in the Group are set out in note 37 and note 9 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, 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 are held by the public at all times as of the date of this report) of public float under the Listing Rules.

USE OF NET PROCEEDS FROM THE LISTING

The Company issued 300,000,000 new Shares with a par value of US\$0.0001 at an issue price of HK\$3.26 per Share in connection with the Listing. The net proceeds from the Listing, after deducting underwriting commission and other expenses, were approximately HK\$946.0 million (equivalent to approximately RMB850.9 million).

The following table sets forth a summary of the utilization of the net proceeds from the Listing:

Purpose	用途	% Net Proceed	RMB' Million 人民幣百萬元	Utilized	Unutilized	Expected timeline 預期時間表
				amount as at August 31, 2020 於2020年 8月31日 已動用金額 RMB' Million 人民幣百萬元	amount as at August 31, 2020 於2020年 8月31日 未動用金額 RMB' Million 人民幣百萬元	
Expansion of existing schools by constructing additional buildings for Huali College and Huali Vocational College	增建華立學院及華立職業學院的樓宇以擴大現有學校	53.0%	451.0	(242.3)	208.7	2020–2021 2020年至 2021年
Establishment of a new junior college in Jiangmen City, Guangdong Province	在廣東省江門市新建專科學校	37.0%	314.8	(2.2)	312.6	2021–2022 2021年至 2022年
Working capital and general corporate purposes	營運資金及一般企業用途	10.0%	85.1	(55.5)	29.6	2020–2021 2020年至 2021年
Total	總計	100.0%	850.9	(300.0)	550.9	

董事及五名最高薪人士的薪酬

薪酬委員會負責在考慮全體董事及高級管理層的相關經驗、職責、表現及成就以及市場標準後，就本公司有關全體董事及高級管理層薪酬的政策及架構向董事會作出推薦。概無董事將決定其自身的薪酬。董事及本集團五名最高薪人士的薪酬詳情載列於合併財務報表附註37及附註9。

充足的公眾持股量

於本年報日期，基於本公司公開可得的資料及據董事所知，本公司一直符合上市規則規定的公眾持股量最低百分比（即截至本報告日期本公司全部已發行股本的至少25%始終由公眾人士持有）。

上市所得款項淨額用途

本公司已就上市按發行價每股股份3.26港元發行300,000,000股每股面值0.0001美元的新股份。扣除包銷佣金及其他開支後，上市所得款項淨額約946.0百萬港元（相當於約人民幣850.9百萬元）。

下表載列上市所得款項淨額的動用概要：

Directors' Report

董事會報告

SIGNIFICANT LEGAL PROCEEDINGS AND COMPLIANCE

During the Reporting Period, except for the lawsuit as disclosed in the section headed "Management Discussion and Analysis — Contingent Liabilities" in this annual report, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

During the Reporting Period and up to the date of this report, to the best knowledge of the Directors, the Group had complied with all applicable laws and regulations in all material aspects.

SIGNIFICANT EVENT AFTER REPORTING PERIOD

On September 18, 2020, the Group obtained the legal title of the right-of-use assets purchased from Jiangmen Public Resources Centre, Xinhui Branch for the construction of a new school campus in Jiangmen City, Guangdong Province, the PRC. For further details, please refer to the announcement of the Company dated August 19, 2020.

AUDITOR

The consolidated financial statements of the Group for the year ended August 31, 2020 have been audited by PricewaterhouseCoopers. A resolution will be proposed at the AGM for the re-appointment of PricewaterhouseCoopers as the independent auditor of the Company.

On behalf of the Board

Zhang Zhifeng

Chairman

Hong Kong, November 6, 2020

重大法律訴訟及合規

於報告期內，除本年報「管理層討論及分析 — 或然負債」一節所披露的訴訟外，本公司未牽涉任何重大訴訟或仲裁，且董事並不知悉任何重大訴訟或索償尚未了結或對本公司構成威脅。

於報告期內及截至本報告日期，據董事所知，本集團已在所有重大方面遵守所有適用的法律法規。

報告期後重大事項

於2020年9月18日，本集團取得就在中國廣東省江門市建設一個新校區向江門公共資源中心新會分中心購買的使用權資產的法定所有權。有關進一步詳情，請參閱本公司日期為2020年8月19日之公告。

核數師

本集團截至2020年8月31日止年度的合併財務報表已由羅兵咸永道會計師事務所審計。於股東週年大會上將提呈一項決議案，以續聘羅兵咸永道會計師事務所為本公司的獨立核數師。

代表董事會

張智峰

主席

香港，2020年11月6日

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended August 31, 2020.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of the code provisions set out in the CG Code as contained in Appendix 14 to the Listing Rules. During the Reporting Period, the Company had complied with all the code provisions set out in 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.

THE RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall leadership of the Group, overseeing strategic decisions of the Group and monitoring business and performance. The Board has delegated the authority and responsibility for the daily management and operations of the Group to the senior management of the Group. In order to supervise specific aspects of the Company's affairs, the Board has set up three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated the responsibilities stipulated in their respective terms of reference to the Board committees.

All Directors perform their duties in good faith, comply with applicable laws and regulations, and act in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance for legal proceedings against Directors. The coverage will be reviewed on an annual basis.

董事會欣然於本公司截至2020年8月31日止年度的年報中呈報此企業管治報告。

企業管治常規

本公司已應用上市規則附錄14所載企業管治守則中守則條文的原則。報告期內，本公司已遵守企業管治守則所載的所有守則條文。

董事會相信，良好的企業管治對增強股東、潛在投資者及商業夥伴的信心至關重要，並符合董事會為股東創造價值的追求。本公司致力於加強其企業管治常規，以適應業務的開展及增長，且不時檢討有關常規，以確保本公司遵守法定及專業標準並與最新發展保持一致。

董事會的責任

董事會負責本集團的整體領導，監察本集團的戰略決策，並監督業務及表現。董事會已將本集團日常管理及運營的權力和職責轉授予本集團高級管理層。為監督本公司事務的特定方面，董事會已成立三個董事委員會，包括審核委員會、薪酬委員會及提名委員會。董事會已將各自職權範圍中規定的職責轉授予董事委員會。

所有董事秉持誠信原則履行職責，遵守適用的法律法規，並始終為本公司及股東的利益行事。

本公司已就針對董事的法律訴訟安排適當的責任保險，保障範圍將每年檢討。

Corporate Governance Report

企業管治報告

Board Composition

Our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The following table lists some of our Directors' information:

Name 姓名	Position(s) 職務
Zhang Zhifeng 張智峰	Chairman of the Board, executive Director and chairman of the Nomination Committee 董事會主席、執行董事及提名委員會主席
Ye Yaming 葉雅明	Executive Director and member of the Remuneration Committee 執行董事及薪酬委員會成員
Dong Xiaolin 董小麟	Executive Director 執行董事
Zhang Yude 張裕德	Non-executive Director 非執行董事
Chiu Lai Kuen Susanna, M.H., J.P. (appointed on July 17, 2020) 趙麗娟·M.H.·J.P. (於2020年7月17日獲委任)	Independent non-executive Director and chairman of the Audit Committee 獨立非執行董事及審核委員會主席
Yang Ying 楊英	Independent non-executive Director, chairman of the Remuneration Committee and members of the Audit Committee and the Nomination Committee 獨立非執行董事、薪酬委員會主席及審核委員會與提名委員會成員
Ding Yi 丁義	Independent non-executive Director and members of the Audit Committee, the Remuneration Committee and the Nomination Committee 獨立非執行董事及審核委員會、薪酬委員會與提名委員會成員
Chow Kwong Fai Edward, J.P. (passed away on June 1, 2020) 周光暉(太平紳士) (於2020年6月1日離世)	Independent non-executive Director and chairman of the Audit Committee 獨立非執行董事及審核委員會主席

The biographies of the Directors are set out under the section headed "Directors and Senior Management" in this annual report.

Mr. Chow Kwong Fai, Edward, J.P. passed away on June 1, 2020, and Ms. Chiu Lai Kuen Susanna, M.H., J.P. was appointed as an independent non-executive Director and the chairman of the Audit Committee on July 17, 2020. Therefore, from June 1, 2020 to July 17, 2020, the Company failed to comply with the provisions of Rules 3.10 and 3.10A of the Listing Rules on the composition of the Board and Rule 3.21 of the Listing Rules on the composition of the Audit Committee. Since the appointment of Ms. Chiu Lai Kuen Susanna, M.H., J.P. as an independent non-executive Director and the chairman of the Audit Committee on July 17, 2020, the Company has complied with the provisions of Rules 3.10 and 3.10A of the Listing Rules on the composition of the Board and Rule 3.21 of the Listing Rules on the composition of the Audit Committee.

Since each independent non-executive Director has confirmed his/her independence from the Listing Date to the date of this annual report in accordance with Rule 3.13 of the Listing Rules, the Company considers all these Directors to be independent parties.

董事會組成

本公司董事會由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。下表列示董事的部分資料：

董事履歷載於本年報「董事及高級管理層」一節。

周光暉先生(太平紳士)於2020年6月1日離世，趙麗娟女士·M.H.·J.P.於2020年7月17日獲委任為獨立非執行董事及審核委員會主席。因此，於2020年6月1日至2020年7月17日，本公司未能遵守上市規則第3.10及3.10A條有關董事會組成的條文與上市規則第3.21條有關審核委員會組成的條文。自趙麗娟女士·M.H.·J.P.於2020年7月17日獲委任為獨立非執行董事與審核委員會主席起，本公司已遵守上市規則第3.10及3.10A條有關董事會組成的條文與上市規則第3.21條有關審核委員會組成的條文。

由於各獨立非執行董事已按照上市規則第3.13條確認自上市日期起至本年報日期的獨立性，本公司認為所有該等董事均為獨立人士。

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, no Directors have any personal relationship (including financial, business, family or other material or related relationships) with any other Director.

The Board has adopted a diversity policy, which sets out objectives and stipulates that all appointments to the Board should be based on the qualities, skills and experience required by the Board as a whole. The Nomination Committee will review and assess the composition of the Board and make recommendations to the Board on the appointment of Board members. At the same time, the Nomination Committee will take into account all aspects of diversity, including, but not limited to, professional experience, skills, knowledge, educational background, age, gender, culture and ethnicity, and length of service, in order to maintain the appropriate range and balance of talents, skills, experience and diversity of perspectives on the Board.

The Nomination Committee has reviewed such board diversity policies for the year ended August 31, 2020. During the Reporting Period, the composition of the Company's existing independent non-executive Directors and their senior management team vary greatly in terms of age, educational background and professional experience.

All Directors, including independent non-executive Directors, have brought a wide range of valuable business experience, knowledge and professionalism to the efficient and effective operation of the Board. Independent non-executive Directors are invited to serve as members of the Audit Committee, the Remuneration Committee and the Nomination Committee.

With regard to the CG Code, which requires Directors to disclose the number and nature of offices held in a public company or organization and other material commitments, as well as the identity of the public company or organization and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent changes to the Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with the necessary induction training and information to ensure that he/she has a proper understanding of the business and operations of the Company and his/her responsibilities under the relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide the Directors with the latest development of the Listing Rules and other relevant legal and regulatory requirements. The Board also regularly informs the Company's performance, position and prospects of Directors so that the Board as a whole and each of the Directors can perform their respective duties.

The Directors are encouraged to participate in continuous professional development to develop and update their knowledge and skills. The Company's joint company secretaries update and provide training materials relating to the roles, functions and responsibilities of Directors from time to time.

除本年報「董事及高級管理層」一節所載董事履歷披露者外，概無董事與任何其他董事有任何個人關係（包括財務、業務、家庭或其他物質或相關關係）。

董事會已採納多元化政策，該政策載列目標，並規定董事會所有成員委任應基於董事會整體所需的素質、技能及經驗。提名委員會將檢討及評估董事會組成，並就董事會成員委任向董事會作出推薦。同時，提名委員會將考慮多元化的所有方面（包括但不限於專業經驗、技能、知識、教育背景、年齡、性別、文化和種族以及服務年限），以維持董事會內人才、技能、經驗及觀點多樣性的適當範圍及平衡。

提名委員會已審閱截至2020年8月31日止年度的該董事會多元化政策。報告期內，本公司現有獨立非執行董事及其高級管理團隊的組成在年齡、教育背景及專業經驗方面具有很大差異。

全體董事（包括獨立非執行董事）帶來廣泛且寶貴的業務經驗、知識及專長，使董事會可高效及有效地運作。獨立非執行董事獲邀擔任審核委員會、薪酬委員會及提名委員會成員。

就企業管治守則（要求董事向發行人披露在上市公司或組織擔任的職務數目及性質和其他重大承擔，以及上市公司或組織的身份與涉及的時間）而言，董事已同意及時向本公司披露彼等的承擔及後續變化。

入職及持續專業發展

每名新委任的董事獲提供必要的入職培訓及資料，以確保其適當了解本公司的業務及經營以及其於相關法規、法律、規則及規例下的責任。本公司亦安排定期研討會，向董事提供上市規則及其他相關法律及監管規定的最新發展。董事會亦定期向董事知會本公司的表現、狀況及前景，令董事會整體及各董事可履行各自的職責。

董事獲鼓勵參與持續專業發展，以發展及更新其知識與技能。本公司的聯席公司秘書不時更新及提供有關董事角色、職能及職責的培訓材料。

Corporate Governance Report

企業管治報告

All Directors, namely Mr. Zhang Zhifeng, Mr. Ye Yaming, Mr. Dong Xiaolin, Mr. Zhang Yude, Ms. Chiu Lai Kuen Susanna, M.H., J.P., Mr. Yang Ying, Mr. Ding Yi, have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

Prior to the Listing, each of the Directors has attended the training conducted by the legal adviser of the Company. The content of such training related to the duties of directors and on-going obligations of listed companies.

The Directors are requested to submit a signed training record to the Company on an annual basis.

Chairman and Chief Executive Officer

The Group strictly abides by code provision A.2.1 of the CG Code that the roles of chairman and chief executive officer should be separate and performed by different individuals. Mr. Zhang Zhifeng was appointed as the Chairman and Mr. Ye Yaming was appointed as the Chief Executive Officer of the Group.

Appointment and Re-election of Directors

Subject to the Articles of Association, the Board may from time to time and at any time to appoint any person to be a Director to fill a casual vacancy or to supplement the Board. Any Director so appointed shall hold office only before the next following general meeting of the Company and may be re-elected at that meeting.

At every annual general meeting of the Company, one-third of the Directors shall retire temporarily (or, if their number is not three or a multiple of three, then the number close to but not less than one-third), shall retire by rotation provided that each Director (including Directors that appointed for a specified term) shall rotate at least once every three years.

No Directors have or are proposed to enter into a service contract with us or any of our subsidiaries (except for contracts which are due or determinable by the employer within one year without payment of compensation) (other than statutory compensation).

The Articles of Association stipulates the procedures and process of appointment, re-election and removal of Directors. The Nomination Committee is responsible for reviewing the composition of the Board and making recommendations to the Board on the appointment or re-election of Directors and the succession planning of Directors.

所有董事(即張智峰先生、葉雅明先生、董小麟先生、張裕德先生、趙麗娟女士、M.H.、J.P.、楊英先生、丁義先生)獲告知上市規則及其他適用監管規定的最新發展,以確保合規並加強其良好企業管治常規意識。此外,將在必要時為董事安排持續簡報及專業發展。

上市前,各董事已出席本公司法律顧問舉行的培訓課程。該培訓的內容涉及董事職責及上市公司的持續義務。

董事須每年向本公司提交一份經簽署的培訓記錄。

主席及行政總裁

本集團嚴格遵守企業管治守則之守則條文第A.2.1條,即主席與行政總裁之角色應有區分且由不同人士擔任。張智峰先生已獲委任為主席,而葉雅明先生已獲委任為本集團行政總裁。

董事委任及重選

受限於組織章程細則,董事會可不時及隨時委任任何人士擔任董事,以填補臨時空缺或補充董事會。任何以此方式委任的董事,任期僅至本公司下屆股東大會為止,並可於該會上重選連任。

於本公司每屆股東週年大會上,三分之一董事(若人數並非三名或三的倍數,則為接近但不少於三分之一的人數)須輪席告退,惟每名董事(包括按特定年期獲委任的董事)至少每三年須卸任一次。

概無董事已經或擬與本公司或本公司任何附屬公司訂立服務合約(於一年內到期或可由僱主毋須支付賠償(法定賠償除外)而終止的合約除外)。

組織章程細則規定董事委任、重選及免職的程序及流程。提名委員會負責檢討董事會組成,並就董事委任或重選及董事繼任規劃向董事會作出推薦。

Nomination Policy

The Director Nomination Policy (the “**Nomination Policy**”) adopted by the Board aims to improve the transparency and accountability of the nomination process of Directors, and to enable the Company to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company’s business requirements.

According to the Nomination Policy, the Nomination Committee is responsible for selecting suitable candidates and offering recommendations to the Board when appointing Directors. The selection criteria that shall be considered by the Nomination Committee to assess the suitability of a proposed candidate includes: character and integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and strategy, the potential contribution to the Board in terms of diversity, and any other factors considered appropriate by the Nomination Committee to be in the best interests of the Company and its Shareholders. The above selection criteria are not exhaustive and conclusive, and the Nomination Committee may nominate any person as it considers appropriate at its discretion.

Subject to the Nomination Policy, the Nomination Committee shall hold a meeting after obtaining the required information from the candidates to discuss and consider the candidate’s recommendation to the Board for appointment as a Director. The Nomination Committee shall, in accordance with the relevant Listing Rules and the Company’s policies, examine whether the candidates are eligible for appointment, election or re-election to the Board. In particular, the Nomination Committee should consider the potential contribution of candidates that can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.

Nomination Process of the Appointment of New Director

The Nomination Committee and/or the Board shall, after receiving the proposal for the appointment of a new Director and the biographical information (or relevant details) of the candidate, evaluate the candidate in accordance with the above criteria to determine whether the candidate is qualified for the office of director. The Nomination Committee shall then recommend to the Board the appointment of appropriate candidates for Directors (if applicable).

For any person nominated by a Shareholder to elect a Director at a general meeting of the Company shall be evaluated by the Nomination Committee and/or the Board in accordance with the above criteria and, as appropriate, make recommendations to the Shareholders on the proposed election of Directors at the general meeting.

提名政策

董事會採納的董事提名政策(「**提名政策**」)旨在提高董事提名程序的透明度及問責性，令本公司可確保董事會具有適合本公司業務需求的技能、經驗及觀點多樣性平衡。

根據提名政策，提名委員會負責選擇適當的候選人，並在委任董事時向董事會作出推薦。選擇標準將由提名委員會考慮，以評估被提名候選人的適當性，包括：性格及品德、專業資格，與本公司業務及策略相關的技能、知識及經驗，在多元化方面對董事會的潛在貢獻，以及提名委員會認為合適並符合本公司及其股東最大利益的任何其他因素。上述選擇標準並非詳盡無遺，亦不具有決定性，提名委員會可酌情選擇其認為合適的任何人士。

受限於提名政策，提名委員會須於從候選人取得必要的資料後舉行一次會議，以討論並考慮向董事會推薦委任候選人為董事。提名委員會須按照相關上市規則及本公司的政策審查候選人是否有資格獲委任、選舉或重選為董事會成員。特別是，提名委員會應考慮候選人可能在資歷、技能、經驗、獨立性及性別多樣性方面為董事會帶來的貢獻。

委任新董事的提名程序

提名委員會及／或董事會在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，應按照上述標準評估候選人，以確定候選人是否有資格擔任董事職務。然後，提名委員會須向董事會推薦委任合適的董事候選人(如適用)。

獲股東提名於本公司股東大會上選舉董事的任何人士，須由提名委員會及／或董事會按照上述標準評估，並(如適用)於股東大會上就建議選舉董事向股東作出推薦。

Corporate Governance Report

企業管治報告

Board Meetings

The Company adopts the practice of holding Board meetings regularly, which are held at least four times a year and about once a quarter. All regular Board meetings shall be given not less than 14 days' notice, so as to provide all Directors with the opportunity to attend the meeting and put the matters in the agenda of the regular meeting.

For other Board and Board committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are sent to Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the documents and to prepare for the meetings. When Directors or Board committee members are unable to attend the meeting, they will be informed of the matters to be discussed and have the opportunity to inform the chairman of their opinions before the meeting. The minutes of the meetings are kept by the company secretary and copies are distributed to all Directors for reference and record.

The minutes of the Board meetings and the Board committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board committee and the decisions made, including any concerns raised by the Directors. The draft minutes of each Board meeting and Board committee meeting shall be sent to the Directors for comments within a reasonable time after the date of the Board meeting. The minutes of the Board meetings are open for inspection by the Directors.

During the Reporting Period, four Board meetings were held and the attendance of each Director at the meetings is set out in the table below:

董事會會議

本公司採納定期舉行董事會會議的做法，董事會會議每年至少舉行四次，大約每季度一次。所有定期董事會會議須發出不少於14日的通知，從而向所有董事提供出席會議的機會及將有關事項列入定期會議的議程。

其他董事會及董事委員會會議一般發出合理通知。議程及隨附的董事會文件於會議至少三日前發送予董事或董事委員會成員，以確保彼等有充足時間審閱文件及為會議作準備。當董事或董事委員會成員無法出席會議時，彼等將獲告知將討論的事項，並有機會在會議前將其意見告知會議主席。會議記錄由公司秘書保管，副本分發予所有董事，以供參考和記錄。

董事會會議及董事委員會會議就董事會及董事委員會考慮的事項及作出的決定(包括董事提出的任何關切)作出足夠詳細的會議記錄。每次董事會會議及董事委員會會議的會議記錄初稿須於董事會會議日期後合理時間內發送予董事，以徵求意見。董事會會議的會議記錄開放供董事查閱。

報告期內，已舉行4次董事會會議，各董事出席會議的記錄載列於下表：

Directors	董事	Attendance of Board meeting(s) 董事會會議出席情況
Executive Directors	執行董事	
Zhang Zhifeng	張智峰	4/4
Ye Yaming	葉雅明	4/4
Dong Xiaolin	董小麟	4/4
Non-executive Director	非執行董事	
Zhang Yude	張裕德	4/4
Independent Non-executive Directors	獨立非執行董事	
Chiu Lai Kuen Susanna, M.H., J.P. (appointed on July 17, 2020)	趙麗娟 · M.H. · J.P. (於2020年7月17日獲委任)	2/4
Yang Ying	楊英	4/4
Ding Yi	丁義	4/4
Chow Kwong Fai, Edward, J.P. (passed away on June 1, 2020)	周光暉 (太平紳士) (於2020年6月1日離世)	2/4

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct on dealing Directors' securities transactions. After specific enquiries of all Directors, each Director has confirmed that he/she had complied with the standards as set out in the Model Code from the Listing Date to August 31, 2020.

Since the Listing Date, the Company has also adopted its own code of conduct on employee's securities transactions on terms of which are no less than the standards stipulated in the Model Code.

Delegation by the Board

The Board reserves the right to decide on all material matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, major transactions (especially those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and business matters. Directors may seek independent professional advice in performing their duties at the expense of the Company and are encouraged to independently approach and consult with the senior management of the Company.

The daily management, administration and operation of the Group are delegated to senior management. The delegated functions and responsibilities are periodically reviewed by the Board. The approval of the Board is required before any significant transaction entered into by the management.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of the Directors, including:

- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors;
- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board and reporting to the Board on matters;
- reviewing the Company's compliance with the CG Code and disclosing in the corporate governance report; and
- reviewing and monitoring the Company's compliance with the Company's whistle-blowing policy.

證券交易的標準守則

本公司已採納標準守則作為其自身有關董事買賣證券的行為守則。經向全體董事作出具體查詢後，各董事均確認於上市日期起至2020年8月31日已遵守標準守則所載的標準。

自上市日期起，本公司已採納自身有關僱員證券交易的行為守則，其條款不遜於標準守則中規定的標準。

董事會授權

董事會保留權利決定本公司所有重大事項，包括：批准及監督所有政策事項、整體策略及預算、內部監控及風險管理系統、主要交易（尤其是涉及利益衝突的交易）、財務資料、委任董事與其他重大財務及業務事項。董事可在履行職責時尋求獨立專業意見，費用由本公司承擔，並獲鼓勵獨立接觸及諮詢本公司高級管理層。

本集團的日常管理、行政管理及經營授權予高級管理層。授予的職能及職責由董事會定期檢討。管理層訂立任何重大交易前，需獲得董事會批准。

企業管治職能

董事會認識到，企業管治應當是董事的集體責任，包括：

- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 制定、檢討及監督適用於僱員及董事的行為守則及合規手冊；
- 制定及檢討本公司的企業管治政策及常規，向董事會提出建議，並就有關事項向董事會報告；
- 檢討本公司遵守企業管治守則的情況及於企業管治報告中作出披露；及
- 檢討及監察本公司遵守本公司舉報政策的情況。

BOARD COMMITTEES

Audit Committee

The Company has established the Audit Committee in accordance with Rule 3.21 of the Listing Rules, and has set out the written terms of reference in accordance with paragraph C3.3 of the CG Code. The main responsibilities of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, and to supervise the audit process and financial statements of the Group.

The Audit Committee consists of Ms. Chiu Lai Kuen Susanna, M.H., J.P., Mr. Yang Ying and Mr. Ding Yi, and is chaired by Ms. Chiu Lai Kuen Susanna, M.H., J.P., who has the appropriate and extensive professional experience as required under the Listing Rules.

The main responsibilities of the Audit Committee include the following:

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and other terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- to discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;
- where more than one audit firm is engaged, to ensure coordination between them; and
- to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally.

The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed. The written terms of reference of the Audit Committee are available for review on the websites of the Stock Exchange and the Company.

董事委員會

審核委員會

本公司已根據上市規則第3.21條成立審核委員會，並遵照企業管治守則第C3.3段制定書面職權範圍。審核委員會的主要職責為檢討及監督本集團的財務報告程序、風險管理及內部監控系統，監督本集團的審計程序及財務報表。

審核委員會由趙麗娟女士，M.H.，J.P.、楊英先生及丁義先生組成，主席為趙麗娟女士，M.H.，J.P.，彼具備上市規則所規定的適當及豐富的專業經驗。

審核委員會的主要職責包括以下各項：

- 主要負責就外聘核數師的委任、續聘及罷免向董事會作出推薦，批准外聘核數師的酬金及其他委聘條款，並處理有關外聘核數師的辭職或解聘的問題；
- 按照適用標準檢討及監督外聘核數師的獨立性及客觀性以及審計程序的有效性。審核委員會應在審計開始前與核數師討論審計的性質及範圍以及報告義務；
- 在審計開始前與核數師討論審計的性質及範圍以及報告義務；
- (如委聘超過一間審計事務所)確保審計事務所之間的協作；及
- 制定及執行有關委聘外聘核數師提供非核數服務的政策。就此而言，「外聘核數師」包括與該審計事務所受到共同控制、擁有及管理的任何實體，或知悉所有相關資料的合理知情的第三方將合理認為屬該全國性或國際審計事務所一部分的任何實體。

審核委員會應向董事會報告，識別需要採取行動或改進的事項並就此向董事會作出推薦。審核委員會的書面職權範圍可於聯交所及本公司網站查閱。

During the Reporting Period, the Audit Committee held two meetings and the attendance of the Audit Committee members at these meetings are set out as below:

報告期內，審核委員會舉行兩次會議，該等會議上審核委員會成員的出席情況載列如下：

Name of Directors	董事姓名	Attendance of meeting(s) 會議出席情況
Chiu Lai Kuen Susanna, M.H., J.P. (Chairman) (appointed on July 17, 2020)	趙麗娟 · M.H. · J.P. (主席) (於2020年7月17日獲委任)	1/2
Yang Ying	楊英	2/2
Ding Yi	丁義	2/2
Chow Kwong Fai, Edward, J.P. (passed away on June 1, 2020)	周光暉 (太平紳士) (於2020年6月1日離世)	1/2

During the Reporting Period, the Audit Committee reviewed the annual results and report for the year ended August 31, 2020 and the interim results and report for the six months ended 29 February 2020, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, range of work and the appointment of external auditors. After reviewing the effectiveness and independence of the external audit process, the Audit Committee was satisfied with the work.

報告期內，審核委員會已審閱截至2020年8月31日止年度的年度業績及報告與截至2020年2月29日止六個月的中期業績及報告，有關財務報告及合規程序的重大事項、內部監控及風險管理系統、工作範圍以及外聘核數師的委任。經評估外部審計程序的有效性及獨立性後，審核委員會對其工作感到滿意。

The Group's audited annual results for the year ended August 31, 2020 have been reviewed by the Audit Committee on October 29, 2020.

本集團截至2020年8月31日止年度的經審計年度業績已於2020年10月29日由審核委員會審閱。

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in accordance with paragraph A.5.2 of the CG Code. The main functions of the Nomination Committee are to make recommendations to our Board on candidates to fill vacancies of the Board.

提名委員會

本公司已根據企業管治守則第A.5.2段成立提名委員會並制定書面職權範圍。提名委員會的主要職能為就提名候選人填補董事會空缺向董事會作出推薦。

The Nomination Committee consists of Mr. Zhang Zhifeng, Mr. Yang Ying and Mr. Ding Yi, and is chaired by Mr. Zhang Zhifeng.

提名委員會由張智峰先生、楊英先生及丁義先生組成，主席為張智峰先生。

The main duties of the Nomination Committee include the following:

提名委員會的主要職責包括以下各項：

- to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;

- 至少每年檢討董事會的架構、人數及組成(包括技能、知識、經驗及觀點多樣化)，並就任何為配合本公司的公司策略而擬對董事會作出的變動作出推薦；
- 物色具有適當資格成為董事會成員的個人，選擇或提名擔任董事的個人或就此向董事會作出推薦；

Corporate Governance Report

企業管治報告

- to assess the independence of the independent non-executive Directors; and
- to make recommendations to the Board on succession planning for Directors (in particular the chairman and the chief executive) and the appointment or reappointment of Directors.

The Nomination Committee assesses the candidates or incumbents based on criteria such as integrity, experience, skills and competence to invest time and energy in performing their duties and responsibilities. The recommendations of the Nomination Committee will then be submitted to the Board for decision.

The Company recognizes and accepts the benefits of having a diverse Board to improve its performance and has adopted a board diversity policy aimed at developing ways to achieve board diversity. The implementation of the policy is supervised by the Nominating Committee. In designing the composition of the Board, the diversity of the Board is taken into account among a number of measurable objectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will continue to monitor the implementation of the board's diversity policy and will regularly review the board's diversity policy to ensure its continued effectiveness.

The written terms of reference of the Nomination Committee are available for review on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Nomination Committee held one meeting to review the nomination process and the composition and diversity of the Board and was satisfied with the current process and composition. The attendance of the Nomination Committee members at this meeting is set out in the table below:

- 評估獨立非執行董事的獨立性；及
- 就董事(尤其是主席及行政總裁)繼任規劃與董事委任或續聘向董事會作出推薦。

提名委員會基於品格、經驗、技能及履行職責時投入時間及精力的能力等標準評估候選人或現任職者。提名委員會的建議然後將提交予董事會決定。

本公司認可及接受擁有多元化董事會以改善表現的好處，並已採納董事會多元化政策，旨在開發實現董事會多元化的方法。該政策的實施由提名委員會監督。在設計董事會的組成時，董事會的多元化已考慮多項可衡量目標，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。提名委員會將繼續監察董事會多元化政策的實施，並將定期檢討董事會多元化政策，以確保其持續有效。

提名委員會的書面職權範圍可於聯交所及本公司網站查閱。

報告期內，提名委員會舉行一次會議，以檢討提名程序與董事會的組成及多元化，並對現有程序及組成感到滿意。提名委員會成員出席該會議的情況載列於下表：

Name of Directors	董事姓名	Attendance of meeting(s) 會議出席情況
Zhang Zhifeng (Chairman)	張智峰 (主席)	1/1
Yang Ying	楊英	1/1
Ding Yi	丁義	1/1

Remuneration Committee

The Company has established the Remuneration Committee in accordance with Rule 3.25 of the Listing Rules, and has stipulated the written terms of reference in compliance with paragraph B.1.2 of the CG Code. The main responsibilities of the Remuneration Committee are to review, determine and recommend to our Board on the policy and structure of the remuneration payable to our Directors and senior management, and to make recommendations on employee benefit arrangements.

The Remuneration Committee consists of Mr. Yang Ying, Mr. Ye Yaming and Mr. Ding Yi, and is chaired by Mr. Yang Ying.

The principal duties of the Remuneration Committee include the following:

- to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- to make recommendations to the Board on the remuneration of non-executive Directors;
- to consider the salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- to review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
- to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- to assess performance of executive Directors;

薪酬委員會

本公司已根據上市規則第3.25條成立薪酬委員會，並已遵照企業管治守則第B.1.2段制定書面職權範圍。薪酬委員會的主要職責為檢討、釐定應付董事及高級管理層的薪酬的政策及架構並就此向董事會作出推薦，以及就僱員福利安排作出推薦。

薪酬委員會由楊英先生、葉雅明先生及丁義先生組成，主席為楊英先生。

薪酬委員會的主要職責包括以下各項：

- 就本公司有關所有董事及高級管理層薪酬的政策及結構，以及就設立正式透明的制定薪酬政策的程序，向董事會作出推薦；
- 參考董事會的公司目標及宗旨，審核並批准管理層薪酬方案；
- 就個別執行董事及高級管理層薪酬方案向董事會作出推薦。其應包括實物福利、退休金權利及補償安排（包括就喪失或終止職務或委任應付的任何補償）；
- 就非執行董事的薪酬向董事會作出推薦；
- 考慮可比公司支付的薪金、時間投入及責任以及本集團內其他公司的僱用狀況；
- 檢討及批准就喪失或終止職務或委任應向執行董事及高級管理層支付的薪酬，以確保該薪酬符合合約條款，屬公平且並非過多；
- 檢討及批准有關因不當行為而罷免董事或解除董事職務的補償安排，以確保該等安排符合合約條款且屬合理適當；
- 確認任何董事或其聯繫人概無參與決定自身薪酬；
- 評估執行董事的表現；

Corporate Governance Report

企業管治報告

- to consider and approve the terms of the executive Directors' service contracts; and
- to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held one meeting to review and discuss the Company's remuneration policy and structure, as well as the remuneration package for the executive Directors and senior management and other related matters. The Remuneration Committee ensured that no individual or any of his/her associates was involved in determining his/her own remuneration. It also ensured that remuneration awards were based on the performance of individuals and were consistent with market practices and conditions, and with the Company's goals and strategies. No changes on the policy were recommended by the Remuneration Committee.

The attendance of the Remuneration Committee members at this meeting is set out in the table below:

Name of Directors	董事姓名	Attendance of meeting(s) 會議出席情況
Yang Ying (Chairman)	楊英 (主席)	1/1
Ye Yaming	葉雅明	1/1
Ding Yi	丁義	1/1

Remuneration of Directors and Senior Management

Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out on pages 27 to 33 of this annual report, for the year ended August 31, 2020 are set out below:

Remuneration band	薪酬級別	Number of individuals 人數
RMB1 million to RMB2 million	人民幣1百萬元至人民幣2百萬元	3
RMB0 to RMB1 million	人民幣0元至人民幣1百萬元	8

- 考慮及批准執行董事服務合約的條款；及
- 不時考慮及實施董事會界定或指定或上市規則規定的其他事項。

薪酬委員會的書面職權範圍可於聯交所及本公司網站查閱。

報告期內，薪酬委員會舉行一次會議，以檢討及討論本公司的薪酬政策及架構，以及執行董事與高級管理層的薪酬方案和其他相關事項。薪酬委員會確保概無個人或其任何聯繫人參與決定自身薪酬，亦確保薪酬獎勵基於個人的表現，並符合市場慣例及狀況以及本公司的目標及策略。薪酬委員會並無推薦對該政策進行任何變更。

薪酬委員會成員出席該會議的情況載列於下表：

董事及高級管理層薪酬

截至2020年8月31日止年度，董事會成員及本公司高級管理層（其履歷載列於本年報第27至33頁）按級別劃分的薪酬詳情載列如下：

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements for the year ended August 31, 2020 in order to give a true and fair view of the affairs of the Company and the Group and the results and cash flows of the Group.

The management has provided the necessary explanations and information to the Board to enable the Board to make an informed assessment of the Company's financial statements and submit them to the Board for approval.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The statement by the auditor regarding its reporting duties on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 127 to 131 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognizes that it is the responsibility of the Board to maintain appropriate risk management and internal control systems to protect Shareholders' investment and the Company's assets, and to review the effectiveness of these systems on an annual basis.

The Group's internal audit department plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis.

Under the Company's risk management and internal control structure, the management is responsible for designing, implementing and maintaining risk management and internal control systems to ensure, amongst others, (i) developing and establishing appropriate policies and control procedures to protect the Group's assets from improper use or disposal; (ii) complying with relevant laws, rules and regulations; and (iii) keeping reliable financial and accounting records in accordance with relevant accounting standards and regulatory reporting requirements.

董事就財務報表進行財務報告的責任

董事承認，董事有責任編製截至2020年8月31日止年度的財務報表，以真實公允地反映本公司及本集團的事務以及本集團的業績及現金流量。

管理層已向董事會提供必要的解釋及資料，以令董事會可對本公司財務報表作出知情評估並將有關財務報表提交董事會批准。

董事並不知悉任何可能對本集團持續經營能力產生重大疑問的事件或狀況相關的重大不確定性。

核數師有關其就本公司合併財務報表的報告職責的陳述，載列於本年報第127至131頁的獨立核數師報告。

風險管理及內部監控

董事會承認，董事會有責任為保護股東投資及本公司資產而維持合適的風險管理及內部監控系統，並每年檢討有關係統的有效性。

本集團內部審計部在監察本公司內部管治時發揮重要作用。內部審計部的主要任務是定期檢討本公司的內部監控並對本公司所有分公司及附屬公司進行全面審計。

根據本公司的風險管理及內部監控架構，管理層負責設計、實施及維護風險管理及內部監控系統，以確保(其中包括)：(i)制定並建立適當的政策及控制程序，以保護本集團資產免遭不當使用或處置；(ii)遵守相關法律、規定及法規；及(iii)按照相關會計準則及監管報告要求保存可靠的財務及會計記錄。

Corporate Governance Report

企業管治報告

The main features of risk management and internal control structure of the Company are as follows:

- the heads of major business units or departments manage risks by identifying and mitigating risks in accordance with the internal standards approved by the Board and the Audit Committee;
- the management ensures appropriate actions are taken on significant risks affecting the Group's businesses and operations; and
- the internal auditors provide independent assurance to the Board, the Audit Committee and the management concerning the effectiveness of risk management and internal control systems.

During the Reporting Period, each major business unit or department was responsible for daily risk management activities, including identifying major risks that may affect the Group's performance, assessing and evaluating the identified risks according to their possible impacts and the possibility of occurrence, and formulating and implementing measures, controls and response plans to manage and mitigate such risks. The management continuously monitored and reviewed the risk management and internal control systems on an ongoing basis and reported to the Audit Committee regarding the status of the systems.

The Company's internal audit function monitored the Company's internal governance and provided independent assurance on the adequacy and effectiveness of the Company's risk management and internal control system. The senior executives responsible for the internal audit function report directly to the Audit Committee. The internal audit reports on the effectiveness of control were submitted to the Audit Committee in accordance with the agreed audit plan approved by the Board. All Directors were informed of the results of the internal audit assignments. During the Reporting Period, the internal audit function conducted an analysis and independent assessment of the adequacy and effectiveness of the Company's risk management and internal control systems through, amongst others, examination of risk-related documentation prepared by operation units and the management and conducting interviews with employees at all levels. The senior executives of the internal audit function attended the Audit Committee meeting to explain the results of the internal audit and responded to the questions of the members of the Audit Committee.

本公司風險管理及內部監控架構的主要特點如下：

- 主要業務單位或部門的主管透過按照經董事會及審核委員會批准的內部標準識別及緩解風險而管理風險；
- 管理層確保就影響本集團業務及經營的重大風險採取適當行動；及
- 內部審計師就風險管理及內部監控系統的有效性向董事會、審核委員會及管理層提供獨立保證。

報告期內，各主要業務單位或部門負責日常風險管理活動，包括識別可能影響本集團表現的重大風險；根據已識別風險可能的影響及發生可能性評估及評價有關風險；制定及實施管理及減輕該等風險的措施、控制及應對計劃。管理層持續監察及檢討風險管理及內部監控系統，並就系統狀況向審核委員會報告。

本公司內部審計職能監督本公司的內部管治，並就本公司風險管理及內部監控系統的充足性及有效性提供獨立保證。負責內部審計職能的高級管理人員直接向審核委員會報告。有關控制有效性的內部審計報告按照董事會批准的經協定審計計劃提交予審核委員會。所有董事均獲告知內部審計任務的結果。報告期內，內部審計職能透過(其中包括)審查經營單位及管理層編製的風險相關文件並與各級員工進行面談，對本公司風險管理及內部監控系統的充足性及有效性進行了分析及獨立評估。內部審計職能高級管理人員已出席審核委員會會議，解釋內部審計結果，並回答審核委員會成員的問題。

The Company has internal guidelines to ensure that inside information is equally and timely disseminated to the public in accordance with applicable laws and regulations. The senior executives of the Group's investor's relation, corporate affairs and financial control functions are empowered to control and monitor appropriate procedures to be followed for inside information disclosure. Access to inside information is limited to the relevant senior executives at all times and on a "need to know" basis. Relevant personnel and other professional parties involved are reminded to maintain the confidentiality of the inside information until it is publicly disclosed. Other procedures, such as pre-clearance on dealing in Company's securities by Directors and designated members, notification of periodic blackouts and restrictions on securities trading for Directors and employees, and identification of project by code name have also been implemented by the Company to prevent possible improper handling of inside information within the Group.

The Company has adopted arrangements to facilitate employees and other stakeholders to raise concerns about possible misconducts in financial reporting, internal control or other matters. The Audit Committee regularly reviewed such arrangements and ensured that appropriate arrangements are in place to investigate these matters fairly and independently and to take appropriate follow-up action.

During the Reporting Period, the Audit Committee reviewed the effectiveness of the risk management and internal control systems of the Company. The annual review included works such as (i) review of reports submitted by heads of operation units or departments and the management regarding the implementation of the risk management and internal control systems; (ii) periodic discussions with the management and senior executives regarding the effectiveness of the risk management and internal control systems and the works of the internal audit function. Such discussions include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions; (iii) evaluation on the scope and quality of management's ongoing monitoring of the risks management and internal control systems; (iv) review of the effectiveness of the internal audit function to ensure coordination within the Group and between the Company's internal and external auditors and to ensure the internal audit function is adequately resourced and has appropriate standing within the Group; and (v) making recommendations to the Board and the management on the scope and quality of the management's ongoing monitoring of the risk management and internal control systems.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered such systems to be effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

本公司設有內部指引，以確保內幕消息按照適用法律法規平等及時地向公眾發佈。本集團投資者關係、公司事務及財務控制職能的高級管理人員獲授權控制及監督內幕消息披露須遵守的適當程序。只有相關高級管理人員在「需要知悉」的情況下，才能接觸到內幕消息。相關人員及其他涉及的專業人士獲提醒在內幕消息公開披露前保密。本公司亦已實施其他程序（如預先許可董事及指定成員買賣本公司證券、董事及僱員買賣證券的定期禁售及限制的通知，以及透過代號識別項目），以防止可能對本集團內幕消息的不當處理。

本公司已採納安排，以促進僱員及其他利益相關人士提出有關財務報告、內部監控或其他事項的可能不當行為的關注。審核委員會定期檢討該等安排，確保設有適當安排公平獨立地調查該等事項並採取適當的跟進行動。

報告期內，審核委員會已檢討本公司風險管理及內部監控系統的有效性。年度檢討包括以下工作：(i)審閱經營單位或部門主管及管理層提交的有關風險管理及內部監控系統的實施的報告；(ii)定期與管理層及高級管理人員討論風險管理及內部監控系統的有效性及內部審計職能的工作。該等討論包括本公司會計、內部審計及財務報告職能的資源、員工資格及經驗、培訓計劃與預算的充足性；(iii)評估管理層對風險管理及內部監控系統的持續監督的範圍及質量；(iv)檢討內部審計職能的有效性，以確保本集團內及與本公司內部及外聘核數師之間的協調，並確保內部審計職能擁有充足資源及在本集團內具有適當地位；及(v)就管理層對風險管理及內部監控系統的持續監督的範圍及質量向董事會及管理層作出推薦。

董事會已對本集團風險管理及內部監控系統的有效性進行檢討，並認為該等系統有效且充足。然而，該等系統的設計目標是管理（而非消除）未能實現業務目標的風險，只能就防止重大失實陳述或損失提供合理而非絕對的保證。

AUDITOR'S REMUNERATION

The Company appointed PricewaterhouseCoopers as the independent auditor for the year ended August 31, 2020. For the year ended August 31, 2020, the total fees paid/payable in respect of the audit service provided by the Group's independent auditor are set out below:

	Amount 金額 RMB'000 人民幣千元
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results) 核數服務費用（包括根據香港審閱委聘準則第2410號審閱中期業績）	3,140
Total 總計	3,140

The Group also appointed another external auditor in respect of the statutory audit services during the Reporting Period. For the year ended August 31, 2020, the total fees paid/payable in respect of the audit service provided by the Group's other external auditor are RMB 46,000.

JOINT COMPANY SECRETARIES

Mr. Hung Manling is one of the joint company secretaries of the Company. His biographical details are set out in the section headed "Directors and Senior Management" in this annual report. Mr. Hung is the primary contact person of the Company.

Mr. Cheung Kai Cheong, Willie is the other joint company secretary of the Company.

During the Reporting Period, Mr. Hung Manling and Mr. Cheung Kai Cheong, Willie had undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with Shareholders is essential to strengthening investor relations and understanding the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable the Shareholders and investors to make the informed investment decisions.

核數師酬金

本公司已委聘羅兵咸永道會計師事務所為截至2020年8月31日止年度的獨立核數師。截至2020年8月31日止年度，就本集團獨立核數師提供的核數服務已付／應付的費用總額載列如下：

於報告期內，本集團亦就法定核數服務委聘了另一名外聘核數師。截至2020年8月31日止年度，就本集團另一名外聘核數師提供的核數服務已付／應付的總費用為人民幣46,000元。

聯席公司秘書

洪文靈先生為本公司聯席公司秘書之一，其履歷詳情載列於本年報「董事及高級管理層」一節。洪先生為本公司的主要聯絡人。

張啟昌先生為本公司另一名聯席公司秘書。

報告期內，洪文靈先生及張啟昌先生已分別遵照上市規則第3.29條接受不少於15小時的相關專業培訓。

股東溝通及投資者關係

本公司相信，與股東的有效溝通對加強投資者關係及了解本集團的業務、業績及策略至關重要。本公司亦明白及時非選擇性披露資訊的重要性，有關披露使股東及投資者能作出知情的投資決策。

In order to promote effective communication, the Company adopts a shareholder's communication policy which aims to establish a two-way relationship and communication between the Company and the Shareholders, and maintain the Company's website (www.hualiuniversity.com), where provides up-to-date information of the Company's business operations and developments, financial information, corporate governance practices and other information for public access.

SHAREHOLDERS' RIGHTS

In order to safeguard the interests and rights of Shareholders, a separate resolution will be proposed for each issue at the general meetings including the election of individual Directors.

All resolutions proposed at the general meeting will be voted pursuant to the Listing Rules and the voting results will be posted on the website of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING OF EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

Pursuant to the Articles of Association, a general meeting shall be convened by the Company on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

為促進有效溝通，本公司採納股東通訊政策，旨在建立本公司與股東之間的雙向關係及通訊，並設有本公司網站(www.hualiuniversity.com)，提供有關本公司業務經營及發展的最新資料、財務資料、企業管治常規以及其他資料供公眾查閱。

股東權利

為保障股東的權益及權利，股東大會上將就每項議題(包括選舉個別董事)單獨提出決議案。

股東大會上提呈的所有決議案將根據上市規則表決，表決結果將於每次股東大會後及時刊登在本公司及聯交所網站上。

召開股東特別大會及提出建議

根據組織章程細則，經任何兩名或以上股東向本公司在香港之主要辦事處或(倘本公司不再設有該主要辦事處)註冊辦事處遞交書面呈請，本公司須召開股東大會，書面呈請須列明召開大會的目的並由呈請人簽署，惟該等呈請人須於遞交書面呈請之日持有本公司不少於十分之一附帶股東大會投票權的本公司繳足股本。任何一名屬認可結算所(或其代名人)的股東亦可向本公司在香港之主要辦事處或(倘本公司不再設有該主要辦事處)註冊辦事處遞交書面呈請召開股東大會，書面呈請須列明召開大會的目的並由呈請人簽署，惟該等呈請人須於遞交書面呈請之日持有本公司不少於十分之一附帶股東大會投票權的本公司繳足股本。倘董事會於遞交書面呈請之日起計21日內並未正式召開須於其後21日內舉行之大會，則呈請人或佔全體呈請人超過一半總表決權的人士可盡可能按接近董事會召開大會之相同方式召開股東大會，惟召開的大會不得於遞交書面呈請之日起計三個月後舉行，而本公司須向呈請人償付因董事會未有召開會議而招致的一切合理費用。

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at The Administration Building of Guangzhou Huali Science and Technology Town, No. 11 Huali Road, Zengcheng District, Guangzhou, Guangdong Province, PRC (email address: ir@hltz.net).

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted the amended and restated memorandum and articles of association of the Company by special resolution passed on August 16, 2019 and effective on November 25, 2019. Saved as disclosed above, there was no change in the memorandum and articles of association of the Company during the Reporting Period.

向董事會查詢

有意向董事會提出有關本公司的查詢的股東，可將查詢發送至本公司總部，地址為中國廣東省廣州市增城區華立路11號廣州華立科技園行政大樓(電郵地址：ir@hltz.net)。

章程文件變動

本公司已透過於2019年8月16日通過的特別決議案採納本公司的經修訂及重列組織章程大綱及細則，於2019年11月25日生效。除上述所披露者外，報告期內本公司組織章程大綱及細則並無變動。

1. ABOUT THIS REPORT

Huali University Group Limited and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) are pleased to present our second Environmental, Social and Governance (“**ESG**”) Report, which summarizes our initiatives, strategies and objectives relating to the environmental, social and governance issues, and describes our visions and commitments to implementing our sustainable development philosophy and fulfilling our corporate social responsibility.

Reporting standards

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) set out in Appendix 27 to the Listing Rules issued by the Stock Exchange. The contents of this report comply with the “comply or explain” provisions and the four reporting principles (materiality, quantitative, balance and consistency) of the ESG Reporting Guide. Readers can review the final chapter of the ESG Report — “Appendix 2: The Stock Exchange ESG Reporting Guide Index” for quick referencing.

Scope of this report

This report describes the overall performance of the Group on sustainable development relating to its core business, and the fulfilment of our corporate social responsibility from 1 September 2019 to 31 August 2020 (the “**Year**” or the “**Reporting Period**”). Unless otherwise stated, this report covers the businesses directly controlled by the Group, including three schools of the Group, namely, Huali College Guangdong University of Technology (“**Huali College**”), Guangzhou Huali Science and Technology Vocational College (“**Huali Vocational College**”) and Guangdong Province Huali Technician College (“**Huali Technician College**”), all located in Guangdong Province.

Reporting languages

This report is published in English and traditional Chinese. In case of any discrepancy, the English version shall prevail.

Approval of this report

This report has been approved by the board of directors (the “**Board**”) of the Group on November 6, 2020.

Report feedback

We value your views on this report. Should you have any enquiries or suggestions, please send them to the following email address: hlu@hltz.net.

1. 關於本報告

華立大學集團有限公司及其附屬公司（統稱「**本集團**」或「**我們**」）欣然發佈我們第二份環境、社會及管治（「**ESG**」）報告，概述我們對環境、社會及管治的工作、策略及目標，並闡述履行可持續發展理念及企業社會責任的願景和承諾。

報告準則

本報告依循聯交所發佈的上市規則附錄二十七《環境、社會及管治報告指引》（「**環境、社會及管治報告指引**」）編製。本報告涵蓋的內容已符合環境、社會及管治報告指引中「不遵守就解釋」條文及四項報告原則（重要性、量化、平衡及一致性）的要求。ESG報告的最後一章「附錄二：聯交所《環境、社會及管治報告指引》索引」可供讀者快速查詢。

報告範圍

本報告闡述本集團於2019年9月1日至2020年8月31日（「**本年度**」或「**報告期**」）內與核心業務有關的可持續發展及履行企業社會責任的整體表現。除特別註明外，本報告涵蓋本集團直接控制的業務，包括本集團位於廣東省的三所學院，廣東工業大學華立學院（「**華立學院**」）、廣州華立科技職業學院（「**華立職業學院**」）及廣東省華立技師學院（「**華立技師學院**」）。

報告語言

本報告以英文和繁體中文兩個語言版本發佈。如有歧義，請以英文版本為準。

本報告的批准

本報告已於2020年11月6日獲本集團董事會（「**董事會**」）批准。

報告反饋

我們非常重視您對此報告的看法。若閣下有任何查詢或建議，歡迎通過電郵形式發送至以下郵箱：hlu@hltz.net。

2. SUSTAINABLE DEVELOPMENT MANAGEMENT

2.1 Sustainable Development Strategy

We attach great importance to sustainable development of the Group. Apart from developing our education business, we make considerable efforts to promote sustainable development. We have established our policy for corporate sustainable development, covering the areas in environmental protection, employment rights, community investment and stakeholder engagement. To effectively implement our policy for corporate sustainable development throughout the Group, we have established an environmental, social and governance committee (“**ESG committee**”) to strengthen the integration of the concept of sustainable development into overall strategy, policy and business planning of the Group. The ESG committee, which is led by our vice-president Mr. Ma Zhixiong with members from representatives of various departments, identifies, assesses, and manages the material ESG issues and drives the efficient implementation of various ESG policies across the Group. The ESG committee regularly reports the ESG working status and delivers ESG related recommendations to the Board of the Group to continuously drive our ESG performance.

2.2 Stakeholder Engagement

The Group values the views and expectations of our stakeholders to satisfy and responds to their concerns for the success of our long-term sustainable development. Our major stakeholders include investors, government/industry associations, regulators, employees, students/parents, former students, business partners, suppliers, community/non-governmental organizations, and the public. By adopting various communication methods, we listen to and gather the concerns of our stakeholders in an active and open way.

2. 可持續發展管理

2.1 可持續發展戰略

我們極為重視本集團的可持續發展。除發展教育業務外，我們亦為促進可持續發展作出巨大努力。我們制定了企業可持續發展政策，涵蓋環境保護、僱傭權利、社區投資和利益相關方溝通等領域。為在本集團上下有效落實我們的企業可持續發展政策，我們成立了環境、社會及管治委員會（「**ESG委員會**」），以加強將可持續發展概念融入本集團的整體戰略、政策和業務規劃中。ESG委員會由副總裁馬志雄先生領導，委員來自各個部門的代表，識別、評估和管理重大ESG議題，並推動各項ESG政策在本集團的有效實施。ESG委員會定期向本集團董事會匯報ESG工作狀況並提交ESG相關建議，以不斷提高我們的ESG表現。

2.2 利益相關方溝通

本集團重視利益相關方的觀點和期望，以滿足並回應其對我們長期可持續發展成功的關切。我們的主要利益相關方包括投資者、政府／行業協會、監管機構、教職員、學生／家長、舊生、業務夥伴、供應商、社區／非政府團體以及公眾等。我們採取多種溝通方式，積極開放地聽取和收集利益相關方的意見。

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholders 主要利益相關方	Expectations and demands 期望與訴求	Main methods for communication and response 主要溝通及回應方式
Investors 投資者	<ul style="list-style-type: none"> Investment return Business growth 投資回報 業務增長 	<ul style="list-style-type: none"> Senior management meetings Meetings and interviews 高級管理人員會議 會議面談
Government/ industry associations 政府／行業協會	<ul style="list-style-type: none"> Compliant and reasonable operation Business growth Quality of teaching Information transparency 合規合理運營 業務增長 教學質量 信息透明度 	<ul style="list-style-type: none"> Consulting Lectures School ratings School visits Organization of industry activities 諮詢 講座 學校評分 視察學校 組織行業活動
Regulators 監管機構	<ul style="list-style-type: none"> Compliant and reasonable operation Business growth Employee benefits 合規合理運營 業務增長 教職工待遇 	<ul style="list-style-type: none"> Meetings Consulting Compliance reports Audits and annual inspections of private colleges and universities 會議 諮詢 合規報告 審計、民辦高校年檢

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholders 主要利益相關方	Expectations and demands 期望與訴求	Main methods for communication and response 主要溝通及回應方式
Employees	<ul style="list-style-type: none"> Quality of teaching Career development Compensation and benefit packages Healthy and safe working environment Fair treatment Value demonstration 	<ul style="list-style-type: none"> Channels for employees to express their opinions (questionnaires, suggestion boxes, symposiums) Work performance appraisals and interviews Meetings and interviews (party committee theory center group learning meetings (including extended meetings), party committee meetings, middle management meetings, etc.) Seminars/workshops/lectures (party cadre training lectures, party school training, teacher training) Special advisory committee/ panel discussion Staff communication meetings (semester and academic year staff meetings) Publications (e.g. staff newsletter) Staff intranet Business briefings 員工表達意見的渠道（調查問卷、意見箱、座談會） 工作表現評核及晤談 會議面談（黨委理論中心組學習會議（含擴大會議），黨委會、中層幹部會等） 研討會／工作坊／講座（黨務幹部培訓講座，黨校培訓、教師培訓） 特別諮詢委員會／專題討論小組 員工溝通大會（學期、學年教職工大會） 刊物（如員工通訊） 員工內聯網 業務簡報
教職員	<ul style="list-style-type: none"> 教學質量 職業生涯發展 薪酬福利待遇 健康安全的工作環境 公平對待 價值體現 	

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholders 主要利益相關方	Expectations and demands 期望與訴求	Main methods for communication and response 主要溝通及回應方式
Students/ parents 學生／家長	<ul style="list-style-type: none"> Quality of teaching Corporate governance Sound operation Healthy and safe campus Protection of student information <ul style="list-style-type: none"> 教學質量 企業管治 穩健經營 健康安全校園 學生信息保護 	<ul style="list-style-type: none"> Satisfaction survey Mid-term teaching examinations Supervision feedback Student forums Online platforms (WeChat class groups, WeChat parent groups) Parent meetings (parents are invited to school for discussion at major events) Telephone Mailbox (Principal's mailbox) 滿意度問卷調查 期中教學檢查 督導反饋 學生座談會 網上平台（班級微信群、微信家長群） 家長會（重大活動邀請家長返校及座談） 電話 郵箱（校長信箱）
Former students	<ul style="list-style-type: none"> School ranking Quality of teaching Teaching reform 	<ul style="list-style-type: none"> Former student activities held by school (several alumni meetings) Former student reunions (several class reunions) School website (publication of alumni association information) Media reports
舊生	<ul style="list-style-type: none"> 學校排名 教學質量 教學改革 	<ul style="list-style-type: none"> 學校舉辦的舊生活動（多次校友大會） 舊生聚會（多次班級聚會） 學校網站（發佈校友會信息） 媒體的信息

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholders 主要利益相關方	Expectations and demands 期望與訴求	Main methods for communication and response 主要溝通及回應方式
Business partners 業務夥伴	<ul style="list-style-type: none"> Teaching quality and effectiveness Teaching reform Business growth 	<ul style="list-style-type: none"> Exchange activities (for laboratory construction, school credit system reform, use of teaching-related systems) Meetings (for formulation of talent training plans, laboratory construction, application for new majors) Lectures (on artificial intelligence, university missions and cultivation of innovation abilities of contemporary college students, "Belt and Road Initiative" and a community with a shared future for mankind, Internet of Things technologies) Visits (to practice bases and international partners) 交流活動（實驗室建設，學分制改革，教學相關系統的使用） 會議（人才培養方案的制定，實驗室建設，新專業申報） 講座（人工智能，大學使命與當代大學生創新能力培養，「一帶一路」倡議與人類命運共同體，物聯網技術） 探訪（實習基地、國際合作單位）
Suppliers 供應商	<ul style="list-style-type: none"> Fair and just procurement Anti-corruption 	<ul style="list-style-type: none"> Supplier management procedures Supplier/contractor evaluation system Field inspections 供應商管理程序 供應商／承包商評估制度 實地視察

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholders 主要利益相關方	Expectations and demands 期望與訴求	Main methods for communication and response 主要溝通及回應方式
Community/ non-governmental organizations 社區／非政府團體	<ul style="list-style-type: none"> Promoting community development Participating in public welfare and charity Environmental protection 	<ul style="list-style-type: none"> Volunteers and community activities Seminars/lectures/workshops Meetings Education funds/scholarship Donations 義工及社區活動 研討會／講座／工作坊 會議 教育基金／獎學金 捐獻
Public 公眾	<ul style="list-style-type: none"> Quality of teaching Teacher qualifications Investment return Information transparency 	<ul style="list-style-type: none"> School websites School activities Official WeChat platforms of schools Media reports 學校網站 學校舉辦的活動 學校官方微信平台 媒體的信息

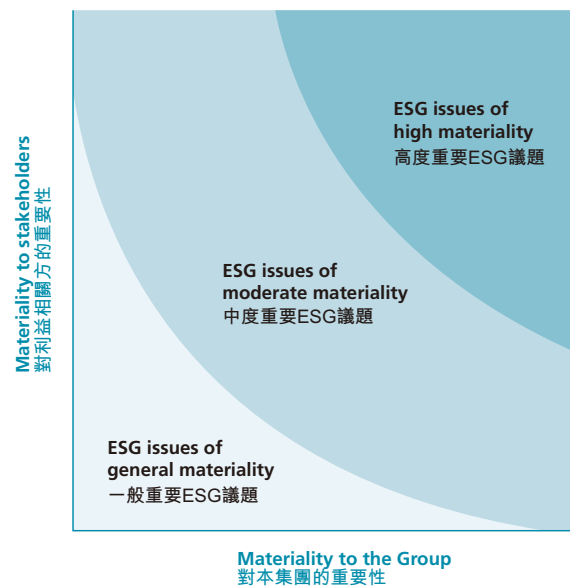
2.3 Materiality Assessment

We have carried out an online questionnaire for materiality assessment during the previous reporting period to fully understand the attention level of our major internal and external stakeholders to the ESG issues. Based on the previous result of materiality assessment, during the Reporting Period, we have conducted a review by considering the feedback collected through multiple communication channels of stakeholder engagement and our operation status, we have made a minor modification on the identified ESG material issues. We finally prioritized 24 material ESG issues with 8 issues of high materiality, 12 issues of moderate materiality and 4 issues of general materiality. We have paid close attention to these material ESG issues when formulating the strategies and policies of sustainable development.

2.3 重要性評估

我們已於上一報告期間就重要性評估進行在線問卷調查，以充分了解我們的主要內部及外部利益相關方對ESG議題的關注程度。根據之前的重要性評估結果，我們於報告期內進行了檢討，考慮從多個利益相關方溝通途徑收集的反饋和我們的經營現狀，對已識別的重要ESG議題進行細微修改。我們最終確定了24個重要ESG議題的優先次序，包括8個高度重要議題、12個中度重要議題和4個一般重要議題。在制定可持續發展戰略及政策時，我們密切關注上述重要的ESG議題。

ESG materiality matrix
ESG議題重要性矩陣



Environmental, Social and Governance Report

環境、社會及管治報告

ESG issues of high materiality 高度重要ESG議題	Responding sections in ESG report ESG報告相應章節
1. Compliance with laws and regulations 遵守法律法規	Compliant and Responsible Governance 合規責任管治
2. Health and safety of students 學生健康及安全	Excellent Quality Education 卓越素質教育
3. Teachers' qualifications and professional ethics 教師資歷及專業操守	Excellent Quality Education 卓越素質教育
4. Market competitiveness 市場競爭力	Excellent Quality Education 卓越素質教育
5. Teaching quality control 教學質量控制	Excellent Quality Education 卓越素質教育
6. Mechanism for handling complaints and responses 處理投訴和應對的機制	Excellent Quality Education 卓越素質教育
7. Staff training and development 員工培訓和發展	Excellent Quality Education 卓越素質教育
8. Anti-corruption and anti-fraud 反貪污和反欺詐	Compliant and Responsible Governance 合規責任管治

ESG issues of moderate materiality 中度重要ESG議題	Responding sections in ESG report ESG報告相應章節
9. Fair employment system 公平僱傭制度	Excellent Quality Education 卓越素質教育
10. Community investment and participation 社區投資和參與	Community Contribution 社區貢獻
11. Protection on information and privacy 信息隱私保障	Compliant and Responsible Governance 合規責任管治
12. Occupational health and safety 職業健康及安全	Excellent Quality Education 卓越素質教育
13. Protecting intellectual property rights 保護知識產權	Compliant and Responsible Governance 合規責任管治
14. Energy consumption and efficiency 能源消耗及效益	Sustainable Campus 可持續校園
15. Environmental awareness of employees 員工的環保意識	Sustainable Campus 可持續校園
16. Publicity and service labels 宣傳及服務標籤	Compliant and Responsible Governance 合規責任管治
17. Protection of employee interests 保障僱傭權益	Excellent Quality Education 卓越素質教育
18. Pollution and emission reduction 降污減排	Sustainable Campus 可持續校園
19. Responsible supply chain management 責任供應鏈管理	Compliant and Responsible Governance 合規責任管治
20. Use of materials and resources 材料及資源使用	Sustainable Campus 可持續校園

Environmental, Social and Governance Report

環境、社會及管治報告

ESG issues of general materiality 一般重要ESG議題	Responding sections in ESG report ESG報告相應章節
21. Water consumption and efficiency 水源耗用及效益	Sustainable Campus 可持續校園
22. Climate change 氣候變化	Sustainable Campus 可持續校園
23. Waste management 廢棄物管理	Sustainable Campus 可持續校園
24. Greenhouse gas emissions 溫室氣體排放	Sustainable Campus 可持續校園

Based on the results of materiality assessment above, the Group has focused its key areas of ESG concerns and development for the Reporting Period into four parts, namely, “Excellent Quality Education”, “Compliant and Responsible Governance”, “Community Contribution” and “Sustainable Campus”. In this report, we have described our policies, measures and performance of sustainable development corresponding to these four areas to respond to the expectations and demands of our stakeholders.

基於以上的重要性評估結果，本集團已將報告期內關鍵的ESG關注和發展領域集中在四個部分，即「卓越素質教育」、「合規責任管治」、「社區貢獻」及「可持續校園」。在本報告中，我們討論有關上述四個領域的可持續發展政策、措施及表現，以回應利益相關方的期望與訴求。



3. EXCELLENT QUALITY EDUCATION

The fundamental education philosophy of the Group is, based on offering high quality applied science focused higher education, guided by social responsibility and human development, to cultivate high quality talent with high moral character, knowledge and practical skills, and pragmatic and innovative characteristics. To successfully apply our education philosophy, we are devoted to carrying out excellent quality education by establishing a set of unified policies for selecting talents and a set of unified performance evaluation standards with respect to each aspect of our school operations including teaching and international exchange, student admissions, internship and career services, student affairs, human resources and general administration. We conduct regular inspections to ensure consistent high teaching quality for each of our schools. As the quality of our education services largely depends on our teachers, we attract and retain talented teachers by applying stringent standards in our recruitment of teachers and offering competitive compensation and benefits to our teachers. We support their professional development by offering comprehensive educational training programs. We highly value the professional ethics and morality for teachers and have implemented various measures to enhance their professional ethics and morality. In addition, we offer market-focused majors and practical job-oriented curricula that cater to market demands and follow job market trends. We also promote the integration of industry and teaching to enhance the competitiveness of our students in the job market. These practices enable us to offer excellent quality education to our students and fit their future employment needs.

3.1 Professional Teaching Management

The Group is highly aware that excellent teaching quality and school reputation are important elements to succeed in sound school operation. In order to build a first-class teaching team, we are committed to providing diversified training programs to our teachers to enhance their professional expertise, knowledge, and quality.

The Group has a comprehensive training system for our teachers and employees. Our human resources department and teacher development centre of each of our three schools develop an annual custom-made teacher training plan for teachers. Based on our established three-level study training system comprising “national training”, “provincial training” and “school training”, we have developed a series of trainings for our teachers and staff. During the period of COVID-19, our trainings were mainly organized in online medium in the second semester.

3. 卓越素質教育

本集團的基本治學理念乃以高水平應用型注重科學的高等教育為定位，以社會責任和人的發展為導向，培養品德高尚、知能合一、務實創新的高素質人才。為了成功貫徹我們的治學理念，我們致力於實施卓越素質教育，針對我們學校運作的各個方面建立了一套統一的人才選拔政策和一套統一的績效評估標準，包括教學和國際交流、招生、實習及就業服務、學生事務、人力資源及綜合管理。我們定期進行檢查，以確保每所學院的教學質量始終如一。由於我們的教育服務質量很大程度上取決於教師，我們通過在招聘教師時採用嚴格標準並為教師提供具有競爭力的薪酬和福利，以吸引和挽留優秀教師。我們通過提供全面的教育培訓計劃，支持教師專業發展。我們高度重視教師的職業操守和道德，並已實施多種措施，以加強其職業操守和道德。此外，我們提供市場主導的專業設置及實用的就業導向課程，迎合市場需求並緊跟就業市場趨勢。我們亦促進產教融合，以增強學生在就業市場上的競爭力。這些做法使我們能夠為學生提供卓越素質教育，滿足其未來的就業需求。

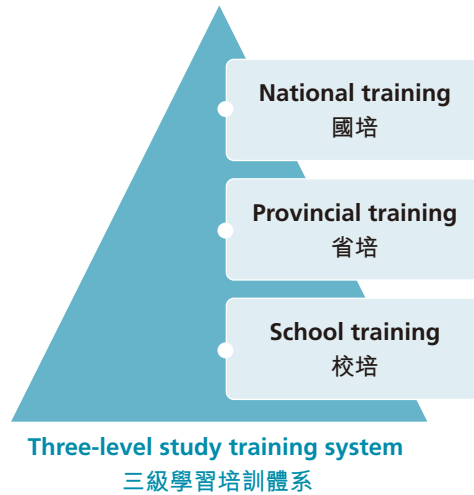
3.1 專業教學管理

本集團深知卓越的教學質量和學校聲譽是學校成功穩健運作的重要因素。為打造一支一流的教師隊伍，我們致力於為教師提供多元化的培訓項目，以提高其專業技能、知識和素質。

本集團擁有完善的教職工培訓體系。我們三所學院各自的人力資源部和教師發展中心每年為教師制定量身定制的培訓計劃。根據我們現有的三級學習培訓體系（包括「國培」、「省培」及「校培」），我們已為教職工開發一系列培訓。新冠肺炎期間，於第二學期我們的培訓主要於網上組織。

Environmental, Social and Governance Report

環境、社會及管治報告



The following are the main types of training arranged by the Group for teachers and staff in our schools in the Reporting Period:

報告期內本集團為學院教職工安排的主要培訓類型如下：

Main types of training 主要培訓類型	Training content 培訓內容
Training for new employees 新員工培訓	Professional ethics and morality for teachers, school rules and regulations, knowledge related to high education, job promotion path, etc. 教師職業操守和道德、學校規章制度、高等教育相關知識、工作晉升路徑等
Professional skills enhancement training 專業技能提升培訓	Training in informatization ability improvement for higher education teachers, cyber security on education system, demonstration for national college counsellors, new engineering intelligent manufacturing (robot) for major leaders, professional skills on intelligent equipment manufacturing for dual-qualified teachers, blockchain technology and application, e-commerce, 3D printing technologies and art design teaching practice, etc. 高等教育教師信息化能力提升、教育系統網絡安全、全國高校輔導員示範、面向主要領導的新型工程智能製造（機器人）、雙師型教師智能裝備製造專業技能、區塊鏈技術及應用、電子商務、3D打印技術與藝術設計教學實踐等方面的培訓
Teaching capacity training 教學能力培訓	Training in informatization teaching ability improvement for teachers, teaching ability improvement for key teachers in higher vocational schools, integrated practical teaching on internet, innovation, and entrepreneurship competition, etc. 教師信息化教學能力提升、高職院校骨幹教師教學能力提升、互聯網、創新及創業競賽綜合實踐教學等方面的培訓
Online course building training 在線課程建設培訓	Training in establishing course materials in online teaching platform 在線教學平台課程材料制定培訓
Online teaching method training 在線教學方法培訓	Training on how to conduct online teaching 關於如何進行在線教學的培訓
Enterprise practice training for young teachers 青年教師企業實踐培訓	Practical training in different enterprises 不同企業實踐培訓
Health and safety training 健康及安全培訓	Training in knowledge and skills on prevention and control of COVID-19 pandemic 新冠肺炎疫情防控知識及技能培訓

3.2 Healthy and Safe Campus

Safeguarding the health and safety of our employees and students is of utmost importance for the Group. We strictly abide by the laws and regulations relating to the protection of health and safety of schools, teachers and students, such as the Law on Prevention and Control of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》), the Regulation on Sanitary Work of Schools (《學校衛生工作條例》), the Fire Prevention Law of the PRC (《中華人民共和國消防法》) and the Food Safety Law of the PRC (《中華人民共和國食品安全法》). We have formulated a series of policies, systems, and regulations for health and safety management and implemented various measures and activities to protect the health and safety of our employees and students. We have also established different emergency plans to tackle various emergency cases such as prevention and control of infectious disease and safety emergency plan for large-scale events. During the Reporting Period, the Group had not violated any law or regulation relating to providing a safe working environment and protecting employees from occupational hazards, nor were there any work-related fatalities or lost days due to work injury in the Group.

Prevention and Control of COVID-19

2020 is a very challenging year for everyone due to the outbreak of COVID-19. In order to have effective prevention and control of COVID-19 to protect our employees and students, we have formulated a series of work plans and emergency plans for the prevention and control of the pandemic, such as Work Plan for the Prevention and Control of the Pandemic for the Commencement of School in the Spring of 2020 (《2020年春季開學疫情防控工作方案》), Work Plan for the School Resumption of Students (《學生返校工作方案》) and Emergency Plan for Public Health Emergencies (《突發公共衛生事件應急預案》).

For a good preparation of the resumption of work and school of the Group, our three schools have organized different simulation exercises for pandemic prevention and control before the start of school to ensure safe class resumption, and enhance emergency handling capabilities for the pandemic in the campus.

3.2 健康安全校園

維護員工和學生的健康及安全對本集團至關重要。我們嚴格遵守有關保障學校、師生健康及安全的法律法規，如《中華人民共和國職業病防治法》、《學校衛生工作條例》、《中華人民共和國消防法》、《中華人民共和國食品安全法》等。我們制定了一系列有關健康安全管理政策、制度和規定，並實施多項措施和活動，以保障員工和學生的健康及安全。我們也制定了不同的應急預案，以處理各種緊急情況，如傳染病預防及控制與大型活動安全應急預案。於報告期內，本集團並沒有違反任何有關提供安全工作環境及保障僱員以避免職業性危害的相關法律及規例，也沒有發生因工作關係而死亡的事故及因工傷損失工作日數。

新冠肺炎預防和控制

由於新冠肺炎爆發，2020年對所有人都是極具挑戰性的一年。為了有效預防和控制新冠肺炎，保護我們的員工和學生，我們制定了一系列疫情防控工作計劃和應急預案，如《2020年春季開學疫情防控工作方案》、《學生返校工作方案》及《突發公共衛生事件應急預案》。

為了本集團復工復學做好準備，我們三所學院在開學前組織了不同的疫情防控模擬演習，以確保復課安全，並增強校園疫情應急處理能力。

Environmental, Social and Governance Report

環境、社會及管治報告



Simulation scene 1:
Body temperature monitoring at the school gate
模擬場景1：
校門口體溫監測



Simulation scene 2:
Health monitoring before entering classrooms,
canteens, and dormitories
模擬場景2：
進入教室、食堂和宿舍前健康監測



Simulation scene 3:
Preliminary investigation and suspected case reporting
模擬場景3：
初步調查和疑似病例報告



Simulation scene 4:
Pandemic investigation and verification
and patient transportation
模擬場景4：
疫情調查核實和病人轉運



Simulation scene 5:
Initiation of emergency response
模擬場景5：
啟動應急響應



Simulation scene 6:
Investigation, disinfection, and handling
after pandemic confirmation
模擬場景6：
疫情確認後進行調查、消毒和處理

In addition, we have strengthened the publicity and education for the prevention of COVID-19 to enhance the sensitivity of our employees and students after the start of school, such as washing hands before dining and entering the classroom and keeping a distance when dining. As a result, the risk of infection can be minimized.

Campus Safety

To ensure campus safety, during the Reporting Period, we implemented various safety measures, trainings, and checks, including fire drill, air defense drill, trainings on air defense and disaster prevention skills and campus safety checks by school leaders and teachers.

此外，我們加強了新冠肺炎預防的宣傳和教育，以提高員工和學生開學後的敏感度，如在用餐和進入教室前洗手，以及用餐時保持距離。因此，感染的風險可以降低到最低。

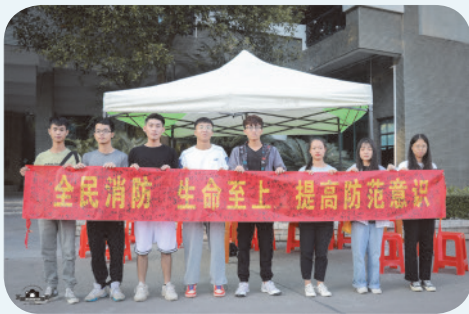
校園安全

為確保校園安全，於報告期內，我們實施各種安全措施、培訓及檢查，包括消防演習、防空演習、防空防災技能培訓與學校領導和教師進行的校園安全檢查。

Fire safety educational activities 消防安全教育活動

We have organized a series of fire safety educational activities under the theme of "Preventing fire risks and building a beautiful home" (「防範火災風險，建設美好家園」) in November 2019 to strengthen the awareness and knowledge fire safety in campus. Different activities, including fire safety signing ceremony, fire drill, and fire safety trainings, were organized.

我們於2019年11月組織了以「防範火災風險，建設美好家園」為主題的一系列消防安全教育活動，以強化校園消防安全意識及知識，組織了包括消防安全簽名儀式、消防演習和消防安全培訓在內的不同活動。



Environmental, Social and Governance Report

環境、社會及管治報告

Air defense drill and promotional activity

防空演習及宣傳活動

To strengthen the concept and awareness of national defense and air defense of our teachers and students, an air defense drill and promotional activity was hosted by Zengcheng District Civil Air Defense Office and organized by Huali College on November 29, 2019. Training on air defense and disaster prevention skills, as well as mental counselling were also provided to our teachers and students. The activity was held successfully and the air safety and safety awareness of our teachers and students was enhanced.

為加強我們師生的國防及防空觀念與意識，於2019年11月29日，增城區人民防空辦公室主辦、華立學院承辦了一次防空演習及宣傳活動，並向我們師生提供了防空及防災技能方面的培訓以及心理輔導。該活動成功舉辦，增強了我們師生的防空及安全意識。



Food Hygiene and Safety

We have made effort in maintaining the food safety of our canteens. We outsourced the food and meal catering services to a catering service provider which is an independent third party, which provides such services to our students and faculty. The catering service provider has obtained relevant qualifications and approvals required by relevant laws and regulations. On December 4, 2019, we have organized a training for catering and food related employees of the catering service provider in food hygiene and safety knowledge. The speakers were from Zengjiang Food and Drug Administration Office and Zengcheng District Market Supervision and Administration Bureau.

食品衛生與安全

我們努力維護食堂的食品安全。我們將餐飲服務外包予一名餐飲服務提供商，該提供商為獨立第三方，為學生及教職工提供相關服務。該餐飲服務提供商已取得相關法律法規要求的相關資質及批准。於2019年12月4日，我們為該餐飲服務提供商的餐飲和食品相關員工組織了一次食品衛生安全知識培訓。演講者來自增江食品藥品監督所和增城區市場監督管理局。



Mental Health

We concern about the mental health of our students. In November 2019, several related trainings were organized by the Mental Health and Development Association of our school to enhance the psychological knowledge and peer consultation technique of our students. In these trainings, the knowledge and hazards on various mental illnesses such as depression, social phobia, and anxiety disorder, were introduced to our students.

心理健康

我們關注學生的心理健康。於2019年11月，我們學校的心理健康與發展協會舉辦數次相關培訓，以增強學生的心理知識和同伴諮詢技巧。培訓向學生介紹了抑鬱症、社交恐懼症和焦慮症等多種精神疾病的知識及危害。



3.3 Valuing Teaching Opinions

The Group highly values the opinions of students to drive our continuous improvement. We have built multiple channels to communicate with students, for example, student forums, petitioning office, chairman's mailbox and WeChat groups, which enable us to understand more about the needs and concerns of students, so that we can promptly respond to students' concerns and deliver better educational services. We organize a student forum in the middle and at the end of each semester respectively to collect and respond to students' opinions. Participants in the forum include teachers from all departments and student representatives from all grades. In addition, teachers and counsellors communicate directly with students to listen to their concerns and provide timely feedback. We have also established various channels such as websites, bulletin boards and official WeChat accounts to distribute campus information to students.

To continuously improve our educational services and safeguard the rights of students, we have formulated the Administrative Measures for Student Complaints (《學生投訴管理辦法》). Students can file complaints through multiple channels if necessary. We have also established the Committee for Student Complaints' Handling (《學生投訴處理委員會》) which includes school leaders, functional department heads, teacher representatives and student representatives. This committee has the authority to request all functional departments to assist in the procedures of review and investigation during the complaining process. After receiving the complaint, we will promptly verify and investigate the complaint. If the complaint is verified to be valid, the opinions on handling will be reported to management and feedback will be provided to the complainant. The respondent will be disciplined and tackled in accordance with our rules. During the Reporting Period, three complaints about educational services were received and have been dealt with properly.

3.3 重視教學意見

本集團高度重視學生的意見，以推動我們不斷進步。我們建立了多種與學生溝通的渠道，如學生座談會、信訪辦公室、董事長信箱和微信群，使我們能更好地了解學生的需求和關切，從而及時回應學生關心的問題並提供更好的教育服務。我們每學期中和期末分別召開一次學生座談會，收集學生的意見並作出反饋，參加人員包括各部門教師和各年級學生代表等。此外，教師及輔導員直接與學生進行溝通，以聽取其關心的問題並及時作出反饋。我們亦設立了多種渠道，如網站、公告欄、微信公眾號等，向學生發放校園信息。

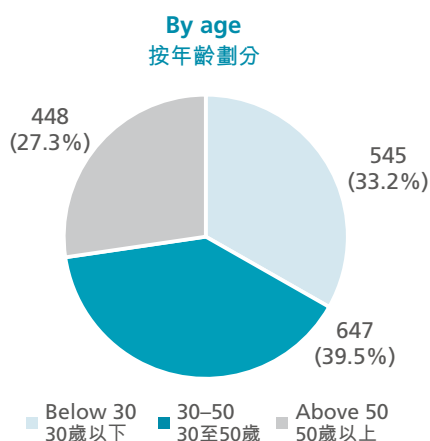
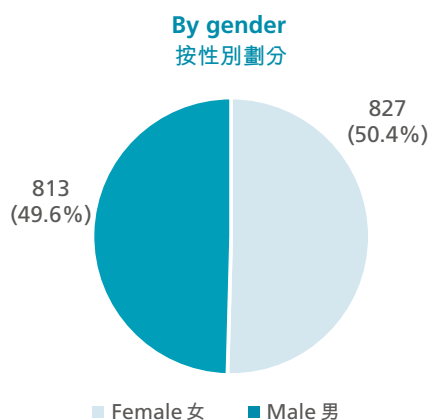
為不斷改善我們的教育服務並保護學生權益，我們制定了《學生投訴管理辦法》。如有需要，學生可以通過多種渠道作出投訴。我們也成立了學生投訴處理委員會，包括學校領導、職能部門負責人、教師代表和學生代表。該委員會有權要求所有職能部門協助投訴過程中的審查和調查程序。收到投訴後，我們會及時對投訴問題進行核實和調查。如情況屬實，將向領導匯報處理意見，並向投訴人反饋，對被投訴人根據制度進行教育和處理。於報告期內，我們收到三宗關於教育服務的投訴，已妥善處理。

3.4 Protecting Employees' Rights

The Group highly values the devotion of our employees and is committed to providing an equal and fair employment system in protecting the rights of our employees. We have formulated the School Recruitment Process (《院校招聘工作流程》), the Regulations on Management of New Employees (《新入職員工管理規定》), Employees' Manual (《教職工手冊》) and other relevant management rules to standardize the recruitment of employees and provide employment guidelines.

During the Reporting Period, the Group strictly complied with the relevant laws and regulations including the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) and the Implementation Regulations for the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》). We had not violated any law or regulation relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, benefit packages, equal opportunity, diversity and anti-discrimination.

The Group adopts the employment principle of equality and diversification, and strictly forbids discrimination against age, genders, marital status, and nationalities. We carry out recruitment through multiple channels such as internet, job fair and universities. Our human resources department will select suitable applicants for interview based on their educational backgrounds, qualifications, and relevant work experiences. During the Reporting Period, we have a total of 1,640 employees. The statistics on the Group's employment data are as follows:



3.4 保護員工權益

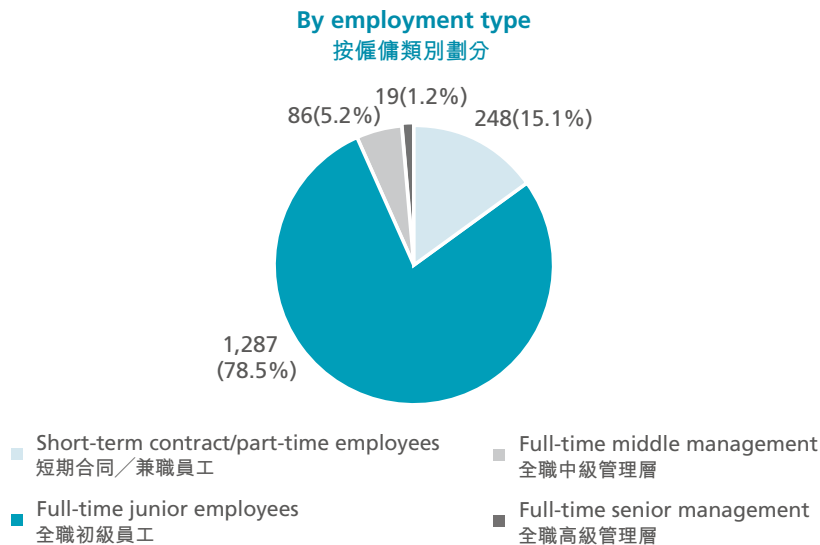
本集團高度重視員工的奉獻精神，致力於提供平等、公平的僱傭制度，以保護員工權益。我們制定了《院校招聘工作流程》、《新入職員工管理規定》、《教職工手冊》及其他相關管理規定，以規範員工招聘工作並提供僱傭指引。

於報告期內，本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》和《中華人民共和國勞動合同法實施條例》等相關法律法規。我們沒有違反任何有關薪酬及解僱、招聘及晉升、工作時數、假期、福利待遇、平等機會、多元化、反歧視的相關法律及規例。

本集團採用平等和多元化僱用原則，嚴禁以年齡、性別、婚姻狀況和國籍等為理由歧視任何人。我們通過互聯網、招聘會、大學等多種渠道進行招聘。我們的人力資源部將根據應聘者的教育背景、資歷和相關工作經驗，選擇合適的應聘者進行面試。於報告期內，我們共有1,640名員工。本集團就業數據統計如下：

Environmental, Social and Governance Report

環境、社會及管治報告



We strictly abide by the Law of the PRC on the Protection of Minors (《中華人民共和國未成年人保護法》) and the Provisions on the Prohibition Against the Use of Child Labour (《禁止使用童工規定》). We verify the ages of the applicant during recruitment process to ensure that no child labour will be employed. If the identity of an employee is found to be false, we will promptly terminate the employment according to law. During the Reporting Period, there was no child labour nor forced labour in the Group.

我們嚴格遵守《中華人民共和國未成年人保護法》和《禁止使用童工規定》。我們在招聘時會核實申請人的年齡，確保不會聘用童工。如員工的身份被發現虛假，我們將立即依法終止勞動關係。於報告期內，本集團沒有發生聘用童工或強制勞工的個案。

Based on the laws and regulations including the Education Law of the PRC (《中華人民共和國教育法》), the Higher Education Law of the PRC (《中華人民共和國高等教育法》) and the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》), we have developed Performance Appraisal Scheme (《績效考核方案》) for different levels and positions of employees to enhance their work initiative and efficiency. By following a fair and transparent approach, during the Reporting Period, we have adopted appraisal indicators such as professional ethics and morality for teachers, work and teaching performance (including online and offline teaching), quality and result of work (including teaching, research and subject building), work completion status, and other indicators. We conduct assessments for our teachers with reference to students' comments and teaching supervisors' assessment of class preparation and class guidance of teachers. The assessment of teaching and work quality is linked to compensation adjustment and bonus to motivate our employees and ensure the quality of our educational services.

按照《中華人民共和國教育法》、《中華人民共和國高等教育法》和《中華人民共和國民辦教育促進法》等法律法規，我們為不同級別和崗位的員工制定了《績效考核方案》，以提高其工作積極性和效率。於報告期內，我們遵循公平透明的方法，採用多種評估指標，如教師職業操守和道德、工作和教學績效(包括線上和線下教學)、工作質量和成果(包括教學、研究和學科建設)、工作完成情況等指標。我們參考學生評價及教學督導對各教師備課及課堂指導情況的評估，對教師進行評估。教學和工作質量評估與薪酬調整及獎金掛鉤，以激勵員工並確保教育服務的質素。

3.5 Considerate Employee Care

The Group understands that talented employees are our valuable assets. To attract and retain talents, we offer competitive compensation and benefit packages to our employees. In addition to fixed salary and the national statutory five insurances and one fund, we provide variable salary, living allowance, housing allowance and other allowances and bonuses according to their position, qualification and annual work performance. Apart from statutory leaves, summer and winter breaks, our employees are entitled to marriage leave, sick leave and funeral leave. Female employees are also entitled to maternity leave and breast-feeding leave according to regulations. Besides, we care about the educational development of the children of our employees, we provide educational subsidies to the children and grandchildren of our employees who study at our schools.

We advocate work-life balance and spiritual cares for our employees. During the Reporting Period, we organized various activities for our employees such as Teacher's Day Commendation Conference, Women's Day Celebration, New Year's gathering, table tennis competition, singing competition, birthday celebration and some educational activities.

3.5 體貼員工關懷

本集團明白，人才是我們的寶貴資產。為了吸引和留住人才，我們為員工提供具有競爭力的薪酬和福利待遇。除了固定工資和國家法定的五險一金外，我們還根據員工的崗位、資歷和年度工作表現，提供浮動工資、生活津貼、住房補貼以及其他津貼和獎金。除了法定假期、寒暑假外，我們的員工亦享有婚假、病假和喪假。女員工還可按規定休產假和哺乳假。另外，我們關心員工子女的教育發展，為在我們學校學習的員工子女和孫輩提供教育補貼。

我們提倡工作與生活的平衡和對員工的精神關懷。於報告期內，我們為員工組織各種活動，如教師節表彰大會、婦女節慶祝活動、新年聚會、乒乓球比賽、歌唱比賽、生日慶祝和部分教育活動。

Environmental, Social and Governance Report

環境、社會及管治報告



Chinese New Year gathering
春節聚會



Educational visit on the theme of "remain true to our original aspiration, keep our mission firmly in mind"
「不忘初心·牢記使命」主題教育考察



Teacher's Day Commemoration cum Launching Ceremony of
Teacher Ethics Educational Month
教師節慶祝暨師德建設教育月啟動儀式



Table tennis competition
乒乓球比賽

4. COMPLIANT AND RESPONSIBLE GOVERNANCE

4.1 Strict Compliant Operation

Compliance governance is the cornerstone for our robust operation and sustainable development. To enhance the effectiveness of compliance management, we have established the Compliance Management System (《合規管理制度》). Our Board has overall responsibility for the compliance operation of the Group and supervises the implementation of our compliance policies. We have clearly defined the duty of every member in the Group on compliance operation, from the board of directors, senior management, compliance person in charge to each employee, to ensure compliance operation of the Group. In addition, we have formulated the Risk Management System (《風險管理制度》) and set up three lines of defence to identify, evaluate and manage the risks of the Group. We strictly implement all relevant requirements of laws and regulations and operate in accordance with the relevant standards. During the Reporting Period, we had not violated any relevant laws and regulations that have a significant impact on the Group in core business and material tasks.

We are devoted to protecting and respecting intellectual property rights. Abiding by the relevant laws and regulations, such as the Patent Law of the PRC (《中華人民共和國專利法》) and the Detailed Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施辦法》), we support our teachers and students to obtain patents and copyrights in order to protect their intellectual property rights. During the Reporting Period, we have maintained 228 existing registered patents and obtained 44 new patents.

When publishing information, such as information from online media, the Group strictly abides by the laws and regulations including the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》) and the Advertising Law of the PRC (《中華人民共和國廣告法》). We have to state the source, author, responsible editor and other elements in our published information to ensure the truthfulness, reliability and accuracy of the information and written data. We have established the Regulations on Publishing Information through Online Media (QQ, WeChat and Weibo) (《網絡媒體 (QQ、微信、微博) 信息發佈規定》) to regulate the publication of information on the internet by our schools, so as to prevent the dissemination of inappropriate and false information and strengthen the information release management. During the Reporting Period, the Group had not violated any laws or regulations relating to the publication of advertisements and information on the educational services provided.

4. 合規責任管治

4.1 嚴格合規運營

合規治理是我們穩健運營和可持續發展的基石。為了提高合規管理的有效性，我們制定了《合規管理制度》。董事會全面負責本集團的合規運營，並監督我們合規政策的執行情況。我們清楚界定本集團每名成員（從董事會、高級管理層、合規負責人到每名員工）在合規運營方面的職責，以確保本集團合規運營。另外，我們制定了《風險管理制度》，並設立三道防線，以識別、評估和管理本集團的風險。我們嚴格執行法律法規的所有相關要求，並按照相關標準運作。於報告期內，我們沒有違反任何對本集團的核心業務及重要任務有重大影響的相關法律法規。

我們致力於保護和尊重知識產權。遵照《中華人民共和國專利法》和《中華人民共和國專利法實施辦法》等相關法律法規，我們支持教師和學生獲取專利和版權，以保護知識產權。於報告期，我們擁有228項現有註冊專利，並獲得44項新專利。

在發佈信息（如網絡媒體信息）時，本集團嚴格遵守《中華人民共和國民辦教育促進法》和《中華人民共和國廣告法》等法律法規。我們須在發佈信息時標明信息來源、作者和責任編輯等要素，力求信息和文字數據的真實性、可靠性及準確性。我們制定了《網絡媒體（QQ、微信、微博）信息發佈規定》，規範學校的網絡信息發佈行為，防止傳播不良和不實的信息，加強信息發佈管理。於報告期內，本集團沒有違反任何有關所提供教育服務的廣告、信息發佈的相關法律及規例。

4.2 Promoting Anti-corruption

As a leading higher education and vocational education group in South China, ethical conduct of every member in the Group is extremely important for our robust operations. We have zero tolerance for any case of corruption, bribery, or any other related malpractice. We strictly adhere to the laws and regulations relating to anti-corruption, such as the Company Law of the PRC (《中華人民共和國公司法》), the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) and the Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》). To effectively enhance corporate compliance control, facilitate prevention and monitoring of any corruption, bribery or any other related malpractice, we have formulated the Anti-corruption and Anti-bribery Control Procedure (《反貪污、反賄賂控制程序》) to strengthen our supervision over key procedures and staff of key positions, in order to promote anti-corruption and anti-bribery and build a positive image of clean and integrity. This Control Procedure applies to all our employees and the relevant stakeholders of the Group, such as customers, suppliers, and service providers. Our compliance and risk control department is responsible for monitoring the prevention of corruption or related malpractice of the Group.

To implement the commitment on the prevention of commercial bribery of the Group, all employees engaged in materials and equipment procurement, outsourcing processing, facilities and engineering, sales, equipment maintenance and quality supervision are required to sign an Anti-Bribery/Anti-Corruption Undertaking (《反賄賂／反腐敗承諾書》). Besides, all customers, suppliers, service providers and contractors that have business dealings with the Group are also required to sign an Anti-Bribery/Anti-Corruption Undertaking for Suppliers (《供應商反賄賂／反腐敗承諾書》) to ensure that all relevant stakeholders doing business with us are law-abiding and of high integrity.

During the Reporting Period, we have organized training in the prevention of professional embezzlement and commercial bribery for the management of the relevant departments. The training content included general principles of ethics, regulations on anti-corruption and anti-bribery management, penalties, and measures for violation of ethical requirements, as well as supervision and management on anti-corruption and anti-bribery. This training can strengthen the know-how of our relevant management on the prevention, implementation and supervision of anti-corruption and anti-bribery measures in the Group.

4.2 反腐倡廉

作為華南領先的高等教育及職業教育集團，本集團每名成員的道德操守對我們的穩健運營非常重要。我們對任何腐敗、賄賂或任何其他相關的瀆職行為零容忍。我們嚴格遵守《中華人民共和國公司法》、《中華人民共和國反不正當競爭法》及《關於禁止商業賄賂行為的暫行規定》等有關反腐敗的法律法規。為有效加強公司合規控制，促進對腐敗、賄賂或任何其他相關瀆職行為的預防和監督，我們制定了《反貪污、反賄賂控制程序》，加強對關鍵環節和關鍵崗位人員的監督，以促進反貪污和反賄賂，樹立清正廉潔的正面形象。該控制程序適用於我們所有員工和本集團相關利益相關方，如客戶、供應商和服務商。我們的合規和風險控制部門負責監督本集團的腐敗或相關瀆職行為的預防。

為履行對本集團防止商業賄賂的承諾，我們要求所有從事物料設備採購、委外加工、設施工程、銷售、設備維護、質量監督等工作的員工簽訂《反賄賂／反腐敗承諾書》。另外，所有與本集團有業務往來的客戶、供應商、服務商、承包商也必須簽訂《供應商反賄賂／反腐敗承諾書》，以確保與我們有生意往來的相關利益團體做到廉潔守法。

於報告期內，我們為相關部門管理層組織了防止職務侵佔和商業賄賂方面的培訓。培訓內容包括一般道德原則、反腐敗反賄賂管理法規、違反道德要求的處罰和措施，以及反腐敗反賄賂的監督和管理。此次培訓可加強相關管理層關於預防、實施和監督本集團反腐敗反賄賂措施的知識。

We have formulated the Whistleblowing Management System (《舉報管理制度》) to encourage employees and companies having business dealings with us to report and expose illegal acts such as corruption and bribery. Any department or person can report to us any kinds of illegal acts, such as corruption, bribery, and related malpractice, in the operation, enrolment and recruitment activities of our schools through various channels including letter, telephone and email. To protect the whistle-blowers, the identity and reporting information of the whistle-blowers are kept strictly confidential. After receiving the report, the designated personnel agreed by the Director of the Group will conduct a fair and impartial investigation. Once the report is validated, we will deal with the violators according to the relevant regulations of the Group.

During the Reporting Period, the Group had no cases involving corruption litigation, which fully reflected the effectiveness of our anti-corruption work.

4.3 Safeguarding Privacy and Information Security

The Group attaches great importance in protecting the privacy of students and strictly abides by the Law of the PRC on Guarding State Secrets (《中華人民共和國保密法》) and other relevant laws and regulations in the PRC. We have established the relevant regulations and systems, such as Regulations on Student Information Security Management (《學生信息安全管理規定》), File Keeping System (《檔案保管制度》) and File Confidentiality System (《檔案保密制度》), to safeguard the information security of students. The information of students, which is kept and managed by designated file management staff, is not allowed to transfer to others without the permission of relevant department heads. The important information of students is kept and handled in high confidentiality to prevent leakage of files and information.

We also strictly comply with the Regulations on Security Protection of Computer Information Systems of the PRC (《中華人民共和國計算機信息系統安全保護條例》), the Interim Provisions on the Administration of Computer Information Network with International Connections of the PRC (《中華人民共和國計算機信息網絡國際聯網管理暫行規定》) and other relevant laws and regulations. To ensure information and network security, we have formulated the Information System Management Regulation (《信息系統管理制度》) and Regulations on Website Management (《網站管理規定》). To strengthen the security management of network and information, we conduct regular inspection of information system and network security to ensure that information systems and networks of the Group are protected from viruses, hackers, and malicious codes. Our employees in key positions

我們制定了《舉報管理制度》，以鼓勵員工和與我們有業務來往的公司舉報和揭露貪污賄賂等違法行為。任何部門或個人可以通過信函、電話、電子郵件等多種途徑，向我們舉報在學校營運和招生就業中的任何非法行為，如腐敗、賄賂和相關舞弊行為。為保護舉報人，舉報人的身份和舉報信息均嚴格保密。收到舉報後，本集團董事指定的相關人員會進行公平公正的調查。舉報事件一經核實，我們將根據本集團相關規定處理違規人士。

於報告期內，本集團沒有涉及貪污訴訟的個案，充分反映了我們反貪污工作的成效。

4.3 保障隱私和信息安全

本集團非常重視保護學生隱私，嚴格遵守《中華人民共和國保密法》和中國其他相關法律法規。我們已制定相關法規和制度(如《學生信息安全管理規定》、《檔案保管制度》及《檔案保密制度》)，以維護學生的信息安全。學生信息由指定的檔案管理人員保存和管理，未經有關部門負責人許可，不得轉交他人。學生的重要信息受到高度保密的保管和處理，以防止檔案和信息泄露。

我們嚴格遵守《中華人民共和國計算機信息系統安全保護條例》、《中華人民共和國計算機信息網絡國際聯網管理暫行規定》和其他相關法律法規。為確保信息和網絡安全，我們制定了《信息系統管理制度》和《網站管理規定》。為加強網絡和信息安全管理，我們定期進行信息系統和網絡安全的檢測，確保本集團的信息系統和網絡不受病毒、黑客和惡意代碼等侵害。我們要求從事關鍵崗位的人員簽署保密協議，並對有關

Environmental, Social and Governance Report

環境、社會及管治報告

are required to sign confidentiality agreements and we perform review on the background of those employees to prevent data leakage. We have also formulated the Password Management System (《密碼管理制度》) to strictly carry out the security requirements for management and setting of server password to ensure the security of information and network.

During the Reporting Period, the Group had not violated any laws or regulations relating to privacy matters.

4.4 Responsible Supply Chain Management

To enhance corporate responsibility throughout our supply chain, the Group has formulated the Supplier Evaluation Standard (《供應商評審標準》) and the Supplier Management System (《供應商管理體系》) to implement responsible supply chain management with our service and product suppliers. In the selection process of suppliers, apart from product quality, delivery time and service quality, we evaluate if the suppliers carry out environmental and corporate social responsibility as one of the evaluation elements in the Supplier Evaluation Standard. Our procurement personnel will conduct on-site investigations if necessary.

We have established the Administrative Measures for the Supervision of Suppliers (《供應商監督管理辦法》) and carry out monthly assessment for our long-term suppliers in terms of price, quality, delivery time, after-sale service, and other factors. We fill in Supplier Regular Evaluation Report (《供應商定期評估報告》) and inform the suppliers on their assessment results for their performance improvement. For suppliers who continuously fail the comprehensive assessment, we will terminate the cooperation with them after reporting and obtaining management approval to ensure the quality of our suppliers.

During the Report Period, we have 155 suppliers for providing products and services. The following table set forth our products and service suppliers respectively by geographical location:

Type/Area 類型／地區		Guangdong 廣東	Beijing 北京	Shandong 山東	Zhejiang 浙江	Tibet 西藏	Fujian 福建	Jiangsu 江蘇	Hainan 海南
Product 產品		113	3	3	3	—	—	—	—
Service 服務		24	2	—	—	3	2	1	1

員工進行背景審查，以防止數據泄露。我們亦訂立了《密碼管理制度》，嚴格執行伺服器密碼管理和設置的安全規定，保證信息和網絡安全。

於報告期內，本集團沒有違反任何有關私隱事宜的相關法律及規例。

4.4 責任供應鏈管理

為了增強我們整個供應鏈的企業責任，本集團制定了《供應商評審標準》和《供應商管理體系》，與我們的服務和產品供應商一起實施負責任的供應鏈管理。在選擇供應商的過程中，除了產品質量、交付時間和服務質量外，我們也評估供應商是否履行環境和企業社會責任，將其作為《供應商評審標準》的評估要素之一。我們的採購人員在必要時會進行現場調查。

我們制定了《供應商監督管理辦法》，在價格、質量、交付時間、售後服務等因素方面每月對長期供應商進行評估。我們填寫《供應商定期評估報告》，並將評估結果通知供應商，以改善其表現。對於連續在考核綜合評價不合格的供應商，我們在上報管理層並取得審批後會與其終止合作，以確保供應商的質量。

於報告期內，我們有155家供應商提供產品和服務。下表載列我們按地理位置劃分的產品和服務供應商：

5. COMMUNITY CONTRIBUTION

While promoting business development, the Group is committed to fulfilling its social responsibility. We have established a volunteer team consisting of approximately 151 employees and 2,865 students. During the Reporting Period, the Group invested over RMB110,000 in public welfare; nearly 300 headcounts of employees and more than 13,000 headcounts of students participated in public welfare activities; and our volunteer team spent more than 472,000 hours in charitable activities.

5.1 Fighting COVID-19

In face of the outbreak of COVID-19, the Group has taken various measures to support pandemic prevention and control works in the communities. The Group encouraged students and employees to take necessary precautionary measures and fight against COVID-19 together. Some of our students and employees have participated in voluntary works for community pandemic prevention and control, contributing substantially to safeguard the communities.



Participating in community pandemic prevention and control works
參與社區防疫工作

5. 社區貢獻

在推動業務發展的同時，本集團也致力於履行社會責任。我們成立了一個由約151名員工和2,865名學生組成的志願者團隊。於報告期內，本集團投入超過人民幣110,000元用於公益事業；接近300員工人次及超過13,000學生人次參加公益活動；志願者團隊進行逾472,000小時慈善活動。

5.1 抗擊新冠肺炎

面對新冠肺炎的爆發，本集團採取多種措施支持社區防疫工作。本集團鼓勵學生和員工採取必要的防護措施，共同抗擊新冠肺炎。部分學生和員工參與了社區防疫志願工作，為維護社區作出實質性貢獻。

Environmental, Social and Governance Report

環境、社會及管治報告

Furthermore, we encouraged party members to make donations to support pandemic prevention and control works. A total of RMB14,060 was collected by the school party committee of Huali Technician College and donated to the Zengjiang Street Party Work Committee (增江街黨工委). Some party members also made donations to the Zhong Nanshan Fund (鍾南山基金) and Wuhan Charity Federation (武漢市慈善總會).

此外，我們鼓勵黨員捐款支持防疫工作。華立技師學院黨委共募集善款人民幣14,060元，捐贈給增江街黨工委。部分黨員還向鍾南山基金和武漢市慈善總會進行了捐贈。

5.2 Caring for the Disadvantaged Groups

The Group cares for the disadvantaged groups in the communities. We organized various volunteering activities in response to the needs of the elderly, the disabled and children. The Huali Youth Volunteer Association (華立青年志願者協會) organized visits to several rehabilitation centres in Zengcheng District, conveying love and care to the disabled and the children with autism.

5.2 關愛弱勢群體

本集團關愛社區弱勢群體。我們組織各種志願活動，滿足老人、殘疾人和兒童的需求。華立青年志願者協會組織走訪了增城區多個康復中心，向殘疾人和自閉症兒童傳遞愛心和關懷。



Visiting a rehabilitation centre in Zengcheng District
走訪增城區一個康復中心

Environmental, Social and Governance Report 環境、社會及管治報告

On 2 November, 2019, a total of 70 volunteers from The Huali Youth Volunteer Association visited the Sanjiang Nursing Home (三江敬老院), expressing condolences and practicing the traditional Chinese virtues of respecting and loving the elderly.

於2019年11月2日，華立青年志願者協會共70名志願者走訪三江敬老院，慰問和踐行中華民族尊老愛老的傳統美德。



Visiting the Sanjiang Nursing Home
走訪三江敬老院

As a pioneer of higher education and vocational education, the Group pays special attention to the interests of school-age children. During the Reporting Period, Huali College donated RMB23,788.6 to Guangdong Provincial Education Work Committee of the Communist Party of China (中共廣東省委教育工作委員會), and Huali Vocational College donated RMB3,490 to impoverished student families of Zengcheng District Fuhe Town Yucai Primary School (增城區福和鎮育才小學).

作為高等教育和職業教育的先行者，本集團特別關注學齡兒童的權益。於報告期內，華立學院向中共廣東省委教育工作委員會捐款人民幣23,788.6元，華立職業學院向增城區福和鎮育才小學貧困學生家庭捐款人民幣3,490元。

Environmental, Social and Governance Report 環境、社會及管治報告

Moreover, the Youth Volunteer Association of Huali College organised a series of volunteer teaching activities at the Zengjiang Street Social Service Station (增江街社工服務站) from November to mid-December, 2019.

此外，華立學院青年志願者協會於2019年11月至12月中旬在增江街社工服務站組織了一系列支教活動。



Volunteer teaching activities
支教活動

6. SUSTAINABLE CAMPUS

The Group recognises the importance of a sound environmental management system to business operation, and is committed to incorporating environmental protection concept into daily operation. We strictly abide by the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), and the relevant laws and regulations on environmental protection. These relevant laws and regulations regulate the formulation and implementation of our measures to protect the environment, prevent and control various pollution. In order to comply with these relevant laws and regulations, we have taken effective measures to identify and manage our impacts on the use of resources and the environment.

As a higher education and vocational education group, we have little impact on the environment and natural resources, which mainly comes from the use of electricity, domestic water, school and office supplies and vehicles of the Group, carbon emissions from business trips, and waste generated on campus. To create a sustainable campus, we strive to make greater contribution to the environment in terms of emission management, energy saving, water conservation, waste management, paperless operation and waste management, so as to minimize the negative impacts on the environment and natural resources.

During the Reporting Period, the Group did not (i) violate any laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; (ii) have any major accidents affecting the environment and natural resources; or (iii) receive any environmental penalties and litigation notices.

6.1 Emission Management

We have managed our greenhouse gas emissions to echo with the climate change initiatives from the National Energy Commission of China — The “Revolutionary Strategy for Energy Production and Consumption (2016–2030)” (《能源生產和消費革命戰略(2016–2030)》) which clarifies the overall goals and related strategies of the energy revolution and promotes green production and low-carbon enterprises. We have also been promoting climate change mitigation, encouraging local action, and raising public awareness in response to the “2019 Annual Report on China’s Policies and Actions on Climate Change” (《中國應對氣候變化的政策與行動2019年度報告》) issued by the State Council of China.

6. 可持續校園

本集團認識到健全的環境管理體系對業務運營的重要性，並致力於將環保理念融入日常運營。我們嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國節約能源法》和有關環境保護的法律法規。有關法律法規規範我們保護環境、預防和控制各種污染的措施的制定及實施。為了遵守上述相關法律法規，我們已採取有效措施來識別和管理我們對資源和環境使用的影響。

作為高等教育及職業教育集團，我們對環境及天然資源造成的影響較小，主要影響來自電力使用、生活用水、學校及辦公物資的使用、集團車輛使用、出差公幹的碳排放、學校垃圾的產生。為建設可持續校園，我們致力在排放管理、節能、節水、廢物管理、無紙化運營和廢物管理等方面力求為環境作出更大貢獻，把對環境和天然資源的影響減到最低。

於報告期內，本集團沒有(i)違反有關廢氣及溫室氣體排放、向水及土地排污、有害及無害廢棄物的產生的任何法律法規；(ii)發生影響環境和自然資源的任何重大事故；或(iii)收到任何環境罰款和訴訟通知。

6.1 排放管理

我們管理溫室氣體排放，以響應中國國家能源委員會的氣候變化倡議《能源生產和消費革命戰略(2016–2030)》，該戰略明確了能源革命的總體目標和相關戰略，促進綠色生產和低碳企業。為響應中國國務院發佈的《中國應對氣候變化的政策與行動2019年度報告》，我們也一直在推動減緩氣候變化、鼓勵地方採取行動並提高公眾意識。

Environmental, Social and Governance Report

環境、社會及管治報告

In accordance with the “Greenhouse Gas Protocol” issued by the World Resources Institute and the World Business Council on Sustainable Development and the “ISO14064-1” set by the International Organisation for Standardisation, the Group carried out greenhouse gas emission inspections. A summary of the greenhouse gas emissions during the Reporting Period is as follows:

根據世界資源研究所與世界可持續發展工商理事會發佈的《溫室氣體盤查議定書》(Greenhouse Gas Protocol)及國際標準化組織訂定的「ISO14064-1」，本集團進行了溫室氣體排放檢查。報告期內溫室氣體排放概要如下：

		Unit	單位	2020 2020年
Greenhouse gas emissions and removals[^]	溫室氣體排放及減除[^]			
Direct greenhouse gas emissions (Scope 1)	直接溫室氣體排放 (範圍1)	tonne of carbon dioxide equivalent (CO ₂ e)	公噸二氧化碳當量	1,327.7
Greenhouse gas removals (Scope 1)	溫室氣體減除 (範圍1)	tonne of CO ₂ e	公噸二氧化碳當量	23.3
Indirect greenhouse gas emissions (Scope 2)	間接溫室氣體排放 (範圍2)	tonne of CO ₂ e	公噸二氧化碳當量	8,802.9
Other indirect greenhouse gas emissions (Scope 3)	其他間接溫室氣體排放 (範圍3)	tonne of CO ₂ e	公噸二氧化碳當量	1,724.3
Total greenhouse gas emissions (Scope 1, 2 & 3)	溫室氣體排放總量 (範圍1、2及3)	tonne of CO ₂ e	公噸二氧化碳當量	11,831.5
Greenhouse gas emission intensity* (Scope 1, 2 & 3)	溫室氣體排放密度* (範圍1、2及3)	tonne of CO ₂ e/capita	公噸二氧化碳當量/人	0.3

[^] There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

[^] 由於四捨五入關係，個別項目的數字加起來可能與總數略有出入。

* Calculated based on the number of employees and students as at August 31, 2020

* 根據2020年8月31日的員工及學生人數計算

Scope 1: Direct greenhouse gas emissions from sources owned and controlled by the Group.

範圍1：本集團擁有及控制的來源所產生的直接溫室氣體排放。

Scope 2: Indirect greenhouse gas emissions from electricity generation, heating and cooling, or steam purchased by the Group.

範圍2：發電、供熱和製冷或者本集團向外購買的蒸汽所間接引致的溫室氣體排放。

Scope 3: Emissions including indirect greenhouse gas emissions from sources that are not owned or directly controlled by the Group but are related to its corporate business activities.

範圍3：排放包括並非由本集團擁有或直接控制，但與本集團業務活動有關的來源所間接產生的溫室氣體排放。

Greenhouse gas emissions can be classified into direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3). Our greenhouse gas emissions of various scopes come from the fuel consumption of the Group's fixed equipment and vehicles, use of refrigerant (Scope 1), consumption of purchased electricity (Scope 2) and water consumption during business operation, flight emissions due to employees' business travel, waste disposal at landfill, wastewater generation and use of paper (Scope 3).

溫室氣體排放可分為直接排放(範圍1)和間接排放(範圍2和範圍3)。我們各種範圍的溫室氣體排放來自本集團固定設備和車輛的燃油消耗、製冷劑使用(範圍1)、在業務營運時的電力使用(範圍2)及水源消耗、員工外出公幹的飛航排放、廢物堆填、廢水的產生和紙張使用(範圍3)。

The Group has adopted various low-carbon operation measures to reduce greenhouse gas emissions. We encourage employees to choose public transport to the greatest extent, replace non-essential overseas travel with videoconference and teleconference, and take direct flights for inevitable business travel. We also advocate the use of public transport and introduced low-carbon driving habits to employees. During the Reporting Period, the total amount of greenhouse gas emissions was 11,831.5 tonnes of carbon dioxide equivalent, and the intensity of greenhouse gas emissions was 0.3 tonnes of carbon dioxide equivalent per capita. In the coming years, we will continue to monitor our greenhouse gas emissions and adopt low-carbon operation measures, and will make effort on identifying, quantifying and reporting climate risks and opportunities with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition to greenhouse gas emissions, the Group is aware of the exhaust gas emissions from our vehicles. We regularly arrange inspections and maintenance for our fleet to ensure the engines, tires and other parts are functioning properly to improve fuel consumption efficiency, so as to reduce exhaust gas emissions. During the Reporting Period, the emissions of nitrogen oxides, sulphur oxides and particulate matter from our fleet were 316.9 kg, 1.2 kg and 30.4 kg respectively.

6.2 Energy Saving

The Group has implemented various energy-saving measures on campus. Apart from posting notices on campus to remind our students and employees to switch off unused electronic devices in a timely manner, we make the best use of natural lightings and apply energy efficiency lightings to reduce electricity usage. In our offices, there are different divisions where each has an independently controllable lighting system to allow flexible and efficient usage of the lightings. We assess the brightness of different areas in the offices so as to reduce excessive lightings. The Group also regularly cleans lighting fixtures and the filter screens of air conditioning systems to improve energy efficiency. Moreover, we allow employees to wear casual outfits to work, and encourage our students to participate in outdoor activities, so as to reduce the demand for air conditioning system.

本集團已採取各種低碳運營措施，以減少溫室氣體排放。我們鼓勵員工最大限度地選擇公共交通工具，用視頻會議和電話會議代替非必要的海外出行，對無法避免的商務旅行，搭乘直飛航班。我們亦倡導使用公共交通工具，並向員工介紹低碳駕駛習慣。於報告期內，溫室氣體排放總量為11,831.5公噸二氧化碳當量，人均溫室氣體排放密度為0.3公噸二氧化碳當量。未來幾年，我們將繼續監督溫室氣體排放及採用低碳運營措施，並將參考氣候相關財務信息披露工作組(TCFD)的建議，努力識別、量化和報告氣候風險及機遇。

除溫室氣體排放外，本集團知悉我們的車輛排放廢氣。我們定期為車隊安排檢查和保養，確保發動機、輪胎等部件正常工作，以提高燃油消耗效率，從而減少廢氣排放。於報告期內，我們車隊的氮氧化物、硫氧化物和顆粒物排放分別為316.9千克、1.2千克和30.4千克。

6.2 節能

本集團在校內實施各種節能措施。除了在校園張貼告示，提醒學生和員工及時關掉不用的電子設備外，我們充分利用自然照明，並採用節能照明，以減少用電量。我們辦公室的不同分區均設有獨立控制的照明系統，可以靈活高效地使用照明。我們評估辦公室不同區域的亮度，以減少過度照明。本集團亦定期清潔照明設備及空調系統過濾網，以提高能源效率。此外，我們允許員工穿著便裝上班，並鼓勵學生參加戶外活動，以減少對空調系統的需求。

Environmental, Social and Governance Report

環境、社會及管治報告

We monitor our electricity consumption during business operation on a regular basis. During the Reporting Period, the total electricity consumption of the Group was 14,428.6 MWh, and the electricity consumption intensity was 0.3 MWh per capita.

6.3 Water Conservation

We advocate for water conservation. The Group installs faucets with water-efficiency labels and infrared sensing faucets on campus, and lowers the water pressure to facilitate control of water flow. We also post water-saving labels in washrooms to remind our students and employees to cherish water resources. Moreover, the Group performs routine maintenance work and regularly conducts leakage tests on concealed water pipes to arrange timely maintenance work and reduce wastage.

During the Reporting Period, the total water consumption of the Group was 1,201,716.0 tonnes and the water consumption intensity was 28.8 tonnes per capita. Our tap water comes from qualified tap water suppliers in Guangzhou, and we did not have any issue in sourcing water that is fit for purpose. Huali College was recognised as a provincial water-saving unit, demonstrating our remarkable achievements in saving water.

6.4 Paperless Operation

We have formulated the Paperless Office Management Measures (《無紙化辦公管理辦法》) and replaced the traditional paper-based office administration system with an electronic office system, promoting comprehensive paperless operation. We encourage employees to communicate through online systems such as WeChat and e-mail instead of any other communication forms in papers. Real-time notifications and announcements are distributed through the electronic office system to achieve paperless communication and paperless circulation. During the Reporting Period, the total paper consumption of the Group was 2,085.3 kg, and the intensity of paper use was 50.0 g per capita.

我們定期監控業務運營期間的用電量。於報告期內，本集團的總耗電量為14,428.6兆瓦時，人均耗電密度為0.3兆瓦時。

6.3 節水

我們提倡節約用水。本集團在校園安裝帶有節水標籤的水龍頭和紅外感應水龍頭，並降低水壓，以便於控制水流。我們還在洗手間張貼節水標籤，提醒學生和員工珍惜水資源。此外，本集團進行日常維修工作，並定期對隱蔽水管進行滲漏測試，以安排適時維修工作和減少浪費。

於報告期內，本集團的總耗水量為1,201,716.0公噸，人均耗水密度為28.8公噸。我們的自來水來自廣州市合資格的自來水供應商，在獲取適用水源上沒有任何問題。華立學院被評為省級節水型單位，證明我們在節省用水方面的卓越成果。

6.4 無紙化運營

我們制定了《無紙化辦公管理辦法》，用電子辦公系統取代傳統的紙質辦公系統，推進全面無紙化運營。我們鼓勵員工通過微信和電子郵件等在線系統進行溝通，而不通過任何其他書面溝通形式。實時通知和公告通過電子辦公系統分發，以實現無紙化溝通和無紙化流通。於報告期內，本集團的總紙張消耗量為2,085.3千克，人均紙張消耗密度為50.0克。

6.5 Waste Management

The Group supports responsible use of natural resources and seeks to reduce waste at source. We use recyclable toner cartridges and ink cartridges, reuse office stationery, and avoid using disposable and non-recyclable products. We encourage employees to print on both sides and reuse single-sided papers by posting reminders near printers. We also install electronic driers in washrooms to reduce the consumption of paper towels.

We promote the concept of waste sorting and are equipped with the waste sorting and recycling facilities on campus. We regularly invite dedicated recycling service providers to collect and recycle various used products and food waste. During the Reporting Period, the Group generated a total of 239.0 tonnes of non-hazardous waste, and the non-hazardous waste generation intensity was 5.7 kg per capita. We also recycled 143.0 tonnes of non-hazardous waste. For hazardous waste, we generated a total of 0.2 tonnes of hazardous waste during the Reporting Period. The hazardous waste generated includes waste from our infirmaries and waste engine oil generated by the automobile maintenance majors.

6.5 廢棄物管理

本集團支持負責任地使用自然資源，並尋求從源頭上減少浪費。我們使用可回收的碳粉盒和墨盒，重複使用辦公文具，並避免使用一次性和不可回收的產品。我們在打印機附近張貼提醒，鼓勵員工雙面打印並重複使用單面紙。我們亦在洗手間安裝電子烘乾機，以減少紙巾消耗。

我們提倡垃圾分類概念，並在校園配備垃圾分類和回收設施。我們定期邀請專門的回收服務提供商來收集和回收各種廢舊產品和食物垃圾。於報告期內，本集團共產生239.0公噸無害廢棄物，人均無害廢棄物產生密度為5.7千克。我們也回收了143.0公噸無害廢棄物。就有害廢棄物而言，我們於報告期內共產生0.2公噸有害廢棄物。產生的有害廢棄物包括醫務室的廢品及汽車維修專業產生的廢機油。

Environmental, Social and Governance Report

環境、社會及管治報告

APPENDIX I: SUSTAINABILITY DATA STATEMENT

附錄一：可持續發展數據摘要

Environmental	環境	Unit	單位	2020 2020年
Air pollutant emissions				
Nitrogen oxides (NO _x)	氮氧化物(NO _x)	kg	千克	316.9
Sulphur oxides (SO _x)	硫氧化物(SO _x)	kg	千克	1.2
Particulate matter (PM)	顆粒物(PM)	kg	千克	30.4
Greenhouse gas emissions and removals[^]				
Direct greenhouse gas emissions (Scope 1)	直接溫室氣體排放 (範圍1)	tonne of CO ₂ e	公噸二氧化碳當量	1,327.7
Greenhouse gas removals (Scope 1)	溫室氣體減除 (範圍1)	tonne of CO ₂ e	公噸二氧化碳當量	23.3
Indirect greenhouse gas emissions (Scope 2)	間接溫室氣體排放 (範圍2)	tonne of CO ₂ e	公噸二氧化碳當量	8,802.9
Other indirect greenhouse gas emissions (Scope 3)	其他間接溫室氣體排放 (範圍3)	tonne of CO ₂ e	公噸二氧化碳當量	1,724.3
Total greenhouse gas emissions (Scope 1, 2 & 3)	溫室氣體排放總量 (範圍1、2及3)	tonne of CO ₂ e	公噸二氧化碳當量	11,831.5
Greenhouse gas emission intensity* (Scope 1, 2 & 3)	溫室氣體排放密度* (範圍1、2及3)	tonne of CO ₂ e/ capita	公噸二氧化碳 當量/人	0.3
Energy consumption				
Natural gas consumption	天然氣耗用量	m ³	立方米	157,000.0
Natural gas consumption intensity*	天然氣耗用密度*	m ³ /capita	立方米/人	3.8
Gasoline consumption	汽油耗用量	litre	公升	78,522.3
Gasoline consumption intensity	汽油耗用密度	litre/employee	公升/員工	47.9
Diesel consumption	柴油耗用量	litre	公升	8,200.1
Diesel consumption intensity	柴油耗用密度	litre/employee	公升/員工	5.0
Purchased electricity consumption	外購電力耗用量	MWh	兆瓦時	14,428.6
Purchased electricity consumption intensity*	外購電力耗用密度*	MWh/capita	兆瓦時/人	0.3
Water consumption				
Total water consumption	總耗水量	tonne	公噸	1,201,716.0
Water consumption intensity*	耗水密度*	tonne/capita	公噸/人	28.8

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental	環境	Unit	單位	2020 2020年
Paper consumption	紙張耗用			
Total paper consumption	用紙總量	kg	千克	2,085.3
Paper consumption intensity*	用紙密度*	g/capita	克/人	50.0
Waste	廢棄物			
Total non-hazardous waste generation	無害廢棄物產生總量	tonne	公噸	239.0
Non-hazardous waste generation intensity*	無害廢棄物產生密度*	kg/capita	千克/人	5.7
Non-hazardous waste recycling	無害廢棄物回收量	tonne	公噸	143.0
Total hazardous waste generation	有害廢棄物產生總量	tonne	公噸	0.2

^ There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

^ 由於四捨五入關係，個別項目的數字加起來可能與總數略有出入。

* Calculated based on the number of employees and students as at 31 August 2020

* 根據2020年8月31日的員工及學生人數計算

Social	社會	Unit	單位	2020 2020年
Total number of employees	員工總數	person	人	1,640
Total number of employees (by gender)	員工總數 (按性別劃分)			
Female	女性	person	人	827
Male	男性	person	人	813
Total number of employees (by age group)	員工總數 (按年齡組別劃分)			
Below 30	30歲以下	person	人	545
Aged 30–50	30–50歲	person	人	647
Above 50	50歲以上	person	人	448
Total number of employees (by employment type)	員工總數 (按僱傭類型劃分)			
Short-term contract/Part-time employees	短期合同/兼職員工	person	人	248
Junior employees	初級員工	person	人	1,287
Middle management	中級管理層	person	人	86
Senior management	高級管理層	person	人	19

Environmental, Social and Governance Report

環境、社會及管治報告

Social	社會	Unit	單位	2020 2020年
Total number of employees (by region)	員工總數 (按地區劃分)			
Guangdong province	廣東省	person	人	1,640
Percentage of employees trained (by gender)	受訓員工百分比 (按性別劃分)			
Female	女性	percent	百分比	49.0%
Male	男性	percent	百分比	51.0%
Percentage of employees trained (by employment type)^	受訓員工百分比 (按僱傭類型劃分)^			
Short-term contract/Part-time employees	短期合同/兼職員工	percent	百分比	17.1%
Junior employees	初級員工	percent	百分比	75.8%
Middle management	中級管理層	percent	百分比	5.9%
Senior management	高級管理層	percent	百分比	1.1%
Average training hours per employee (by gender)	每名員工平均培訓時數 (按性別劃分)			
Average training hours per female employee	每名女員工平均培訓時數	hours	小時	25.1
Average training hours per male employee	每名男員工平均培訓時數	hours	小時	20.8
Average training hours per employee (by employment type)	每名員工平均培訓時數 (按僱傭類型劃分)			
Short-term contract/Part-time employees	短期合同/兼職員工	hours	小時	4.7
Junior employees	初級員工	hours	小時	68.7
Middle management	中級管理層	hours	小時	56.2
Senior management	高級管理層	hours	小時	54.0
Occupational health and safety	職業健康及安全			
Number of work-related fatalities	因工死亡人數	no. of people	人數	0
Lost days due to work injury	因工傷損失工作日數	days	日	0

APPENDIX II: THE STOCK EXCHANGE ESG REPORTING GUIDE INDEX

附錄二：聯交所《環境、社會及管治報告指引》索引

Index content			Relevant sections
指標內容			相關章節
A. Environmental Area			
A. 環境範疇			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Sustainable Campus
A1: 排放物	一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢物的產生等的：(a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料。	6. 可持續校園
	A1.1	The types of emissions and respective emissions data.	6.1 Emission Management Appendix I: Sustainability Data Statement
	A1.1	排放物種類及相關排放數據。	6.1 排放管理 附錄一：可持續發展數據摘要
	A1.2	Greenhouse gas emissions in total and intensity.	6.1 Emission Management Appendix I: Sustainability Data Statement
	A1.2	溫室氣體總排放量及密度。	6.1 排放管理 附錄一：可持續發展數據摘要
	A1.3	Total hazardous waste produced and intensity.	6.5 Waste Management Appendix I: Sustainability Data Statement
	A1.3	所產生有害廢棄物總量及密度。	6.5 廢棄物管理 附錄一：可持續發展數據摘要

Environmental, Social and Governance Report

環境、社會及管治報告

Index content 指標內容			Relevant sections 相關章節
	A1.4	Total non-hazardous waste produced and intensity.	6.5 Waste Management
	A1.4	所產生無害廢棄物總量及密度。	Appendix I: Sustainability Data Statement
	A1.5	Description of measures to mitigate emissions and results achieved.	6.5 廢棄物管理
	A1.5	描述減低排放量的措施及所得成果。	附錄一：可持續發展數據摘要
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.1 Emission Management
	A1.6	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	6.1 排放管理
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.4 Paperless Operation
A2: 資源使用	一般披露	有效使用資源（包括能源、水及其他原材料）的政策。	6.5 Waste Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	6.4 無紙化運營
	A2.1	按類型劃分的直接及／或間接能源（如電、氣或油）總耗量及密度。	6.5 廢棄物管理
	A2.2	Water consumption in total and intensity.	6. Sustainable Campus
	A2.2	總耗水量及密度。	6. 可持續校園
	A2.3	Description of energy use efficiency initiatives and results achieved.	6.2 Energy Saving
	A2.3	描述能源使用效益計劃及所得成果。	Appendix I: Sustainability Data Statement
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.2 節能
	A2.4	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	附錄一：可持續發展數據摘要
	A2.4		6.3 Water Conservation
	A2.4		Appendix I: Sustainability Data Statement
	A2.4		6.3 節水
	A2.4		附錄一：可持續發展數據摘要
	A2.4		6.2 Energy Saving
	A2.4		6.2 節能
	A2.4		6.3 Water Conservation
	A2.4		6.3 節水

Environmental, Social and Governance Report

環境、社會及管治報告

Index content 指標內容			Relevant sections 相關章節
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable to the business of the Group
	A2.5	製成品所用包裝材料的總量及每生產單位估量。	本集團的業務不適用
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6. Sustainable Campus
A3: 環境及天然資源	一般披露	減低發行人對環境及天然資源造成重大影響的政策。	6. 可持續校園
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Sustainable Campus
	A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	6. 可持續校園
B. Social Area			
B. 社會範疇			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.4 Protecting Employees' Rights 3.5 Considerate Employee Care
B1: 僱傭	一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料。	3.4 保護員工權益 3.5 體貼員工關懷
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: Sustainability Data Statement
	B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	附錄一：可持續發展數據摘要
	B1.2	Employee turnover rate by gender, age group and geographical region.	The Group will consider to disclose the relevant data in the future
	B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	本集團將考慮於日後披露有關數據

Environmental, Social and Governance Report

環境、社會及管治報告

Index content 指標內容			Relevant sections 相關章節
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2 Healthy and Safe Campus
B2: 健康與安全	一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	3.2 健康安全校園
	B2.1	Number and rate of work-related fatalities.	Appendix I: Sustainability Data Statement
	B2.1	因工作關係而死亡的人數及比率。	附錄一：可持續發展 數據摘要
	B2.2	Lost days due to work injury.	Appendix I: Sustainability Data Statement
	B2.2	因工傷損失工作日數。	附錄一：可持續發展 數據摘要
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3.2 Healthy and Safe Campus
	B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	3.2 健康安全校園
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.1 Professional Teaching Management
B3: 發展及培訓	一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	3.1 專業教學管理
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Sustainability Data Statement
	B3.1	按性別及僱員類別（如高級管理層、中級管理層等）劃分的受訓僱員百分比。	附錄一：可持續發展 數據摘要
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Statement
	B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	附錄一：可持續發展 數據摘要

Environmental, Social and Governance Report

環境、社會及管治報告

Index content 指標內容		Relevant sections 相關章節	
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.4 Protecting Employees' Rights
B4: 勞工準則	一般披露	有關防止童工或強制勞工的：(a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料。	3.4 保護員工權益
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.4 Protecting Employees' Rights
	B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	3.4 保護員工權益
	B4.2	Description of steps taken to eliminate such practices when discovered.	3.4 Protecting Employees' Rights
	B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	3.4 保護員工權益
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.4 Responsible Supply Chain Management
B5: 供應鏈管理	一般披露	管理供應鏈的環境及社會風險政策。	4.4 責任供應鏈管理
	B5.1	Number of suppliers by geographical region.	4.4 Responsible Supply Chain Management
	B5.1	按地區劃分的供應商數目。	4.4 責任供應鏈管理
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.4 Responsible Supply Chain Management
	B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	4.4 責任供應鏈管理
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4. Compliant and Responsible Governance
B6: 產品責任	一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料。	4. 合規責任管治
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the business of the Group
	B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	本集團的業務不適用
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.3 Valuing Teaching Opinions
	B6.2	接獲關於產品及服務的投訴數目以及應對方法。	3.3 重視教學意見

Environmental, Social and Governance Report

環境、社會及管治報告

Index content			Relevant sections
指標內容			相關章節
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.1 Strict Compliant Operation
	B6.3	描述與維護及保障知識產權有關的慣例。	4.1 嚴格合規運營
	B6.4	Description of quality assurance process and recall procedures.	Not applicable to the business of the Group
	B6.4	描述質量檢定過程及產品回收程序。	本集團的業務不適用
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.3 Safeguarding Privacy and Information Security
	B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	4.3 保障隱私和信息安全
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.2 Promoting Anti-corruption
B7: 反貪腐	一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的：(a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	4.2 反腐倡廉
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.2 Promoting Anti-corruption
	B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	4.2 反腐倡廉
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	4.2 Promoting Anti-corruption
	B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	4.2 反腐倡廉
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5. Community Contribution
B8: 社區投資	一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	5. 社區貢獻
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5. Community Contribution
	B8.1	專注貢獻範疇（如教育、環境事宜、勞工需求、健康、文化、體育）。	5. 社區貢獻
	B8.2	Resources contributed to the focus area.	5. Community Contribution
	B8.2	在專注範疇所動用資源。	5. 社區貢獻

Independent Auditor's Report

獨立核數師報告

To the Shareholders of Huali University Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Huali University Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 132 to 216, which comprise:

- the consolidated balance sheet as at August 31, 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at August 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

致华立大学集团有限公司列位股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

华立大学集团有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)載列於第132至216頁的合併財務報表，包括：

- 於二零二零年八月三十一日的合併資產負債表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年八月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is revenue recognition of tuition and boarding fees.

Key Audit Matter 關鍵審計事項

Revenue recognition of tuition and boarding fees

學費及寄宿費的收入確認

Refer to notes 2.21 and 5 to the consolidated financial statements.
請參閱合併財務報表附註2.21及5。

Revenue mainly comprised tuition and boarding fees from students, amounting to RMB761 million for the year ended August 31, 2020. These fees are generally received in advance prior to the beginning of each academic year and are recognized proportionately over each academic year.
收入主要包括學生的學費及寄宿費，截至2020年8月31日止年度為人民幣761百萬元。有關費用通常於各學年開始前預收，於各學年按比例確認。

We focused on revenue recognition due to its magnitude and the large volume of transactions, such that we have incurred significant time and resources in carrying out our work in this area. 由於金額龐大且交易量大，我們專注於收入確認，因此已在進行該領域工作時投入大量時間資源。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們審計中識別的關鍵審計事項為學費及寄宿費的收入確認。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We understood, evaluated and tested the key controls over the revenue recognition of tuition and boarding fees.
我們了解、評估及測試學費及寄宿費收入確認的關鍵控制。

We checked on a sample basis the student names, academic subjects and student grades in the student records of the relevant universities to the official student records registered with relevant education authorities and reconciled the total number of enrolled students in the current academic year from the student records of the relevant universities to the official student records registered with the relevant education authorities of the People's Republic of China.
我們根據在中華人民共和國相關教育部門登記的官方學生記錄抽查相關大學學生記錄中的學生姓名、學科及學生年級，並將相關大學學生記錄中本學年招收學生總數與在相關教育部門登記的官方學生記錄進行核對。

We checked the tuition and boarding fees on a sample basis to student enrolment forms, student payment records, program price shown on the enrolment guide, online course attendance records and accommodation records.
我們根據學生招生表格、學生支付記錄、招生指南所示課程價格、線上課程出席記錄及住宿記錄抽查學費及寄宿費。

We recalculated tuition and boarding fees based on student names, academic subjects, student grades, program price shown on the enrolment guide and accommodation records.
我們根據學生姓名、學科、學生年級、招生指南所示課程價格及住宿記錄重新計算學費及寄宿費。

We checked on a sample basis the existence of the students by interviewing students and agreed the student information in relevant official student records including the student names, their personal identity card numbers, student identification numbers and academic subjects to the student's identity card and student cards provided by the students.
我們通過走訪學生及將相關官方學生記錄中的學生資料(包括學生姓名、個人身份證號、學生識別號及學科)與學生提供的學生身份證及學生卡核對，抽查學生是否存在。

Based on the procedures performed, we found the Group's tuition and boarding fees tested were supported by available evidence.
根據所採取的步驟，我們發現，所測試的貴集團學費及寄宿費有證據支持。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計合併財務報表須承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日期所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

The engagement partner on the audit resulting in this independent auditor's report is Ho Chiu Yin, Ivan.

出具本獨立核數師報告的審計項目合夥人是何超然。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, November 6, 2020

香港，2020年11月6日

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

		Year ended August 31, 截至8月31日止年度		
		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue	收入	5	761,481	674,800
Cost of sales	收入成本	8	(308,902)	(307,014)
Gross profit	毛利		452,579	367,786
Selling expenses	銷售開支	8	(15,527)	(13,291)
Administrative expenses	行政開支	8	(99,105)	(93,827)
Other income	其他收入	6	19,620	10,701
Other (losses)/gains — net	其他(虧損)/收益淨額	7	(3,273)	1,591
Operating profit	經營利潤		354,294	272,960
Finance income	財務收入		8,332	868
Finance expenses	財務開支		(51,692)	(46,815)
Finance expenses — net	財務開支淨額	10	(43,360)	(45,947)
Profit before income tax	所得稅前利潤		310,934	227,013
Income tax expenses	所得稅開支	11	(4,265)	(3,950)
Profit for the year	年內利潤		306,669	223,063
Other comprehensive income for the year	年內其他綜合收益		—	—
Total comprehensive income	綜合收益總額		306,669	223,063
Profit and total comprehensive income attributable to:	以下人士應佔利潤及綜合收益總額：			
— Owner of the Company	— 本公司普通股股東		306,669	223,063
Earnings per share for profit attributable to owner of the Company (expressed in RMB per share)	本公司普通股股東應佔利潤的每股盈利(以每股人民幣元表示)			
Basic and diluted	基本及攤薄	12	0.270	0.248

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

上述合併綜合收益表應連同隨附的附註一併閱讀。

Consolidated Balance Sheet

合併資產負債表

As at August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
於2020年8月31日
(除另有指明外，所有金額以人民幣表示)

		As at August 31,		
		於8月31日		
		Note	2020	2019
		附註	2020年	2019年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Right-of-use assets	使用權資產	14	1,060,506	—
Land use rights	土地使用權	14	—	1,096,010
Property, plant and equipment	物業、廠房及設備	15	2,805,085	2,598,503
Investment properties	投資物業	16	135,000	132,200
Intangible assets	無形資產	17	12,404	6,475
Other financial assets at amortized cost	按攤餘成本入賬的其他金融資產		6,353	—
Prepayments	預付款項	19	133,116	14,087
			4,152,464	3,847,275
Current assets	流動資產			
Prepayments	預付款項	19	190	6,728
Trade and other receivables	貿易及其他應收款項	20	12,519	12,472
Amounts due from related parties	應收關聯方款項	34	16,766	6,779
Restricted cash	受限制現金	21	11,205	—
Cash and cash equivalents	現金及現金等價物	22	865,062	453,576
			905,742	479,555
Total assets	總資產		5,058,206	4,326,830
EQUITY	權益			
Share capital and share premium	股本及股份溢價	23	789,576	327
Statutory surplus reserves	法定盈餘儲備	24	123,186	123,186
Other reserves	其他儲備	24	336,118	336,118
Retained earnings	保留盈利	24	1,427,938	1,121,269
Total equity	總權益		2,676,818	1,580,900

Consolidated Balance Sheet

合併資產負債表

As at August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

於2020年8月31日

(除另有指明外，所有金額以人民幣表示)

		As at August 31, 於8月31日		
		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	28	1,622,731	1,078,908
Accruals and other payables	應計費用及其他應付款項	26	7,141	152,166
Amounts due to related parties	應付關聯方款項	26	—	44,477
Deferred income tax liabilities	遞延所得稅負債	29	36,461	34,689
			1,666,333	1,310,240
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項	26	270,616	164,069
Amounts due to related parties	應付關聯方款項	26	21,251	600,788
Contract liabilities	合約負債	27	271,771	666,033
Current income tax liabilities	當期所得稅負債		6,200	4,404
Borrowings	借款	28	145,217	396
			715,055	1,435,690
Total liabilities	總負債		2,381,388	2,745,930
Total equity and liabilities	權益及負債總額		5,058,206	4,326,830

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

The financial statements on pages 132 to 216 were approved by the Board of Directors on November 6, 2020 and were signed on its behalf.

上述合併資產負債表應連同隨附的附註一併閱讀。

第132至216頁的財務報表已由董事會於2020年11月6日批准並代表董事會簽署。

Zhang Zhifeng

張智峰

Director

董事

Ye Yaming

葉雅明

Director

董事

Consolidated Statement of Changes in Equity

合併權益變動表

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

		Attributable to owner of the Company					
		本公司普通股股東應佔					
		Share capital	Share premium	Statutory surplus reserves	Other reserves	Retained earnings	Total
		股本	股份溢價	法定盈餘儲備	其他儲備	保留盈利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 23)	(Note 23)	(Note 24(a))	(Note 24(b))	(Note 24(c))	
		(附註23)	(附註23)	(附註24(a))	(附註24(b))	(附註24(c))	
For the year ended August 31, 2020	截至2020年8月31日止年度						
As at September 1, 2019	於2019年9月1日	327	—	123,186	336,118	1,121,269	1,580,900
Profit and other comprehensive income for the year	年度利潤及其他綜合收益	—	—	—	—	306,669	306,669
Shares issued pursuant to the initial public offering	根據首次公開發售發行的股份	211	879,402	—	—	—	879,613
Share issuance costs	股份發行成本	—	(28,744)	—	—	—	(28,744)
Capitalization issue	資本化發行	282	(282)	—	—	—	—
Dividends (Note 13)	股息(附註13)	—	(61,620)	—	—	—	(61,620)
Appropriation to statutory reserves	轉撥至法定儲備	—	—	81,756	—	(81,756)	—
Utilization of school development funds	使用學校發展基金	—	—	(81,756)	—	81,756	—
As at August 31, 2020	於2020年8月31日	820	788,756	123,186	336,118	1,427,938	2,676,818
For the year ended August 31, 2019	截至2019年8月31日止年度						
As at September 1, 2018	於2018年9月1日	327	—	123,186	336,118	898,206	1,357,837
Profit and other comprehensive income for the year	年度利潤及其他綜合收益	—	—	—	—	223,063	223,063
Appropriation to statutory reserves	轉撥至法定儲備	—	—	58,446	—	(58,446)	—
Utilization of school development funds	使用學校發展基金	—	—	(58,446)	—	58,446	—
As at August 31, 2019	於2019年8月31日	327	—	123,186	336,118	1,121,269	1,580,900

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

上述合併權益變動表應連同隨附的附註一併閱讀。

Consolidated Statement of Cash Flows

合併現金流量表

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

		Year ended August 31, 截至8月31日止年度		
		Note 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cash flows from operating activities		經營活動的現金流量		
Cash generated from operations	經營所得現金	30	82,616	502,066
Interest paid	已付利息		(65,155)	(56,588)
Income tax paid	已付所得稅		(697)	(604)
Net cash generated from operating activities	經營活動所得現金淨額		16,764	444,874
Cash flows from investing activities		投資活動的現金流量		
Purchase of property, plant and equipment and intangible assets	購買物業、廠房及設備和無形資產		(340,532)	(803,247)
Prepayment for the acquisition of right-of-use assets in Jiangmen	收購江門使用權資產預付款項		(124,840)	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	30(b)	131	—
Purchase of other financial assets at amortized cost	購買按攤餘成本入賬的其他金融資產		(6,511)	—
Net cash used in investing activities	投資活動所用現金淨額		(471,752)	(803,247)
Cash flows from financing activities		融資活動的現金流量		
Proceeds from borrowings	借款所得款項	30(a)	979,790	487,892
Repayments of borrowings	償還借款	30(a)	(291,146)	(264,388)
Gross proceed from the listing	上市所得款項總額		879,613	—
Payment for listing fees expenses	支付上市費用		(22,264)	(2,209)
Dividends paid	已付股息		(61,620)	—
Decrease in amounts due to related parties	應付關聯方款項減少	30(a)	(612,660)	(33,007)
Net cash generated from financing activities	融資活動所得現金淨額		871,713	188,288
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額		416,725	(170,085)
Exchange losses on cash and cash equivalents	現金及現金等價物的匯兌虧損		(5,239)	—
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		453,576	623,661
Cash and cash equivalents at end of the year	年末現金及現金等價物		865,062	453,576

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

上述合併現金流量表應連同隨附的附註一併閱讀。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

1 GENERAL INFORMATION

Huali University Group Limited (the “**Company**”) was incorporated in the Cayman Islands on May 24, 2016 as an exempted company with limited liability under the Companies Law (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 “**Owner**”).

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 are presented in Renminbi (“**RMB**”), unless otherwise stated. These financial statements have been approved for issue by the Board on November 6, 2020.

The outbreak of the 2019 Novel Coronavirus (the “**COVID-19**”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the industry of education. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that these consolidated financial statements are authorized for issue, COVID-19 doesn’t have any material adverse impact on the financial position and operating result of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

1 一般資料

华立大学集团有限公司(「**本公司**」)於2016年5月24日根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands。本公司為投資控股公司。本公司及其附屬公司(統稱「**本集團**」)的主營業務為於中華人民共和國(「**中國**」)提供民辦高等教育服務，包括教學服務及學生住宿服務。

本公司的最終控股公司為HL-Diamond Limited(「**HL-Diamond**」)。本公司董事(「**董事**」)認為，最終控股方為張智峰先生，彼亦為本公司的執行董事兼董事長(「**擁有人**」)。

本公司股份自2019年11月25日起於香港聯合交易所有限公司(「**聯交所**」)主板上市。

本合併財務報表以人民幣(「**人民幣**」)呈列，另有註明者除外。本財務報表已於2020年11月6日獲董事會批准刊發。

2019新型冠狀病毒(「**新冠肺炎**」)的爆發為經濟帶來前所未有的挑戰，增添了不確定性。新冠肺炎可能影響教育行業的財務表現及狀況。自新冠肺炎爆發以來，本集團持續關注新冠肺炎情況，並積極應對其對本集團財務狀況及經營業績的影響。截至本合併財務報表獲授權刊發日期，新冠肺炎並未對本集團的財務狀況及經營業績造成任何重大影響。

2 主要會計政策概要

本附註提供編製本合併財務報表時採納的主要會計政策清單。該等政策已對所有呈列年份貫徹應用，另有註明者除外。財務報表涉及由本公司及其附屬公司組成的集團。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation

(i) Compliance with HKFRSs and HKCO

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

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis.

(iii) New and amended standards adopted by the Group

(a) The Group has applied the following standards and amendments for the first time for the annual reporting year commencing September 1, 2019:

- HKFRS 16
- 香港財務報告準則第16號
- Interpretation 23
- 詮釋第23號
- Amendments to HKFRS 9
- 香港財務報告準則第9號修訂本
- Amendments to HKAS 28
- 香港會計準則第28號修訂本
- Annual improvements
- 年度改進
- Amendments to HKAS 19
- 香港會計準則第19號修訂本

- Leases
- 租賃
- Uncertainty over income tax treatment
- 所得稅處理之不確定因素
- Prepayment Features with Negative Compensation
- 具有負補償的提前還款特性
- Long-term Interests in Associates and Joint Ventures
- 於聯營公司及合營企業的長期權益
- HKFRS Standards 2015–2017 Cycle
- 香港財務報告準則2015年至2017年週期
- Plan Amendment, Curtailment or Settlement
- 計劃修訂、縮減或清償

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognized the cumulative effect of initially applying the new standard on September 1, 2019 as disclosed in Note 2.1(iii)(c). Most of the other 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.

2 主要會計政策概要(續)

2.1 編製基準

(i) 遵守香港財務報告準則及香港公司條例

本集團的合併財務報表乃按照香港財務報告準則(「香港財務報告準則」)及第622章香港公司條例(「香港公司條例」)的規定編製。

(ii) 歷史成本慣例

合併財務報表乃按歷史成本基準編製。

(iii) 本集團採納的新訂及經修訂準則

(a) 本集團已就2019年9月1日開始的年度報告年度首次應用以下準則及修訂本：

由於採納香港財務報告準則第16號，本集團須變更其會計政策。本集團已選擇追溯採納新規則，但已確認於2019年9月1日首次應用新準則的累計影響(如附註2.1(iii)(c)所披露)。上文所列大部分其他修訂本對過往期間確認的金額並無任何影響，且預計不會對本期間或未來期間造成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iii) New and amended standards adopted by the Group (Cont'd)

(b) Certain new accounting standards and interpretations have been published that are not mandatory for August 31, 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

2 主要會計政策概要(續)

2.1 編製基準(續)

(iii) 本集團採納的新訂及經修訂準則(續)

(b) 若干新會計準則及詮釋已頒佈但未就2020年8月31日報告期間強制生效，且尚未由本集團提早採納。該等準則預計不會於本報告期間或未來報告期間對本集團及對可預見的未來交易造成重大影響：

		Effective for accounting periods beginning on or after the following date or after the start of the accounting period
HKAS 1 and HKAS 8 (Amendment) 香港會計準則第1號及香港會計準則第8號 (修訂本)	Definition of material 重大的定義	January 1, 2020 2020年1月1日
HKFRS 3 (Amendment) 香港財務報告準則第3號 (修訂本)	Definition of a Business 業務的定義	January 1, 2020 2020年1月1日
Conceptual Framework for Financial Reporting 2018 2018年財務報告的概念框架	Revised Conceptual Framework for Financial Reporting 財務報告的經修訂概念框架	January 1, 2020 2020年1月1日
HKFRS 16 (Amendment) 香港財務報告準則第16號 (修訂本)	Leases — Covid-19 related rent concessions 租賃 — 新冠肺炎相關租金減讓	June 1, 2020 2020年6月1日
HKFRS 3 (Amendments) 香港財務報告準則第3號 (修訂本)	Business combinations 業務合併	January 1, 2022 2022年1月1日
HKAS 16 (Amendments) 香港會計準則第16號 (修訂本)	Property, plant and equipment 物業、廠房及設備	January 1, 2022 2022年1月1日
HKAS 37 (Amendments) 香港會計準則第37號 (修訂本)	Provisions, contingent liabilities and contingent assets 撥備、或然負債及或然資產	January 1, 2022 2022年1月1日
Annual improvements to HKFRS 1 香港財務報告準則第1號的年度改進	First-time Adoption of IFRS 首次採納香港財務報告準則	January 1, 2022 2022年1月1日
Annual improvements to HKFRS 9 香港財務報告準則第9號的年度改進	Financial instruments 金融工具	January 1, 2022 2022年1月1日
HKFRS 17 香港財務報告準則第17號	Insurance contracts 保險合約	January 1, 2023 2023年1月1日
HKAS 1 (Amendment) 香港會計準則第1號 (修訂本)	Presentation of financial statements' on classification of liabilities 負債分類時呈列財務報表	January 1, 2023 2023年1月1日
HKFRS 10 and HKAS 28 (Amendment) 香港財務報告準則第10號及香港會計準則第28號 (修訂本)	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或合營企業之間的資產出售或出資	To be determined 待定

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iii) New and amended standards adopted by the Group (Cont'd)

(c) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial information.

The Group has adopted HKFRS 16 Leases retrospectively from September 1, 2019, but has not restated comparative information, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on September 1, 2019.

Under HKFRS 16, lessees are required to recognize a lease liability reflecting future lease payments and a right-of-use asset for all lease contracts in the balance sheet. Lessees will also have to present interest expense on the lease liability and depreciation on the right-of-use asset in the income statement. In comparison with operating leases under HKAS 17, this will change not only the allocation of expenses but also the total amount of expenses recognized for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The new standard has included an optional exemption for certain short-term leases and leases of low-value assets. This exemption can only be applied by lessees. The Group has adopted the optional exemption because all the Group's leases are relating to short-term leases and low value leases, which were recognised on a straight-line basis as expenses in profit or loss.

2 主要會計政策概要(續)

2.1 編製基準(續)

(iii) 本集團採納的新訂及經修訂準則(續)

(c) 會計政策變更

本附註解釋採納香港財務報告準則第16號租賃對本集團財務資料的影響。

本集團已自2019年9月1日起追溯採納香港財務報告準則第16號租賃，但按該準則中的特定過渡條文許可，未重列比較資料。因此，因新租賃規則導致的重新分類及調整已於2019年9月1日的期初資產負債表中確認。

根據香港財務報告準則第16號，承租人須於資產負債表中就所有租賃合約確認反映未來租賃付款的租賃負債及使用權資產。承租人亦須於損益表中呈報租賃負債的利息開支及使用權資產的折舊。與香港會計準則第17號下經營租賃相比，這不僅將改變開支分配，亦將改變各租期內確認的開支總額。使用權資產的直線折舊和租賃負債應用的實際利率法的組合，將導致租賃最初數年在損益扣賬的總開支較高，而開支於租期後期逐步減少。新準則就若干短期租賃及低價值資產租賃提供選擇性豁免，但豁免僅適用於承租人。本集團已採納選擇性豁免，原因是本集團的所有租賃均涉及短期租賃及低價值租賃，按直線法於損益確認為開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iii) New and amended standards adopted by the Group (Cont'd)

(c) Changes in accounting policies (Cont'd)

(1) Measurement of right-of-use assets

Under the simplified transition approach, the associated right-of-use assets were measured at the amount equal to the lease liabilities on adoption, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at September 1, 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(2) Adjustments recognized in the balance sheet on September 1, 2019

The change in accounting policy affected the following items in the balance sheet on September 1, 2019:

		Closing balance as at August 31, 2019	Effect of adoption of HKFRS 16 採納香港 財務報告 準則第16號 的影響 RMB'000	Opening balance as at September 1, 2019
		於2019年 8月31日的 期末結餘 RMB'000	RMB'000	於2019年 9月1日的 期初結餘 RMB'000
Consolidated balance sheet (extract) 合併資產負債表(摘錄)		人民幣千元	人民幣千元	人民幣千元
Right-of-use assets	使用權資產	—	1,096,010	1,096,010
Land use rights	土地使用權	1,096,010	(1,096,010)	—
		1,096,010	—	1,096,010

As at August 31, 2020, the Group has no non-cancellable operating lease commitments.

於2020年8月31日，本集團沒有不可撤銷的經營租賃承擔。

2 主要會計政策概要(續)

2.1 編製基準(續)

(iii) 本集團採納的新訂及經修訂準則(續)

(c) 會計政策變更(續)

(1) 使用權資產計量

根據簡化過渡法，相關使用權資產於採納時按等於租賃負債的金額計量，並就與於2019年9月1日的資產負債表中確認的租賃有關的任何預付或應計租賃付款的金額作出調整。於首次應用日期，並無需要調整使用權資產的繁冗租賃合約。

(2) 2019年9月1日的資產負債表中確認的調整

會計政策變更影響2019年9月1日的資產負債表中以下項目：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(iii) New and amended standards adopted by the Group (Cont'd)

(c) Changes in accounting policies (Cont'd)

(3) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策概要(續)

2.1 編製基準(續)

(iii) 本集團採納的新訂及經修訂準則(續)

(c) 會計政策變更(續)

(3) 出租人會計處理

本集團無需因採納香港財務報告準則第16號而對根據經營租賃作為出租人持有的資產的會計處理作出任何調整。

2.2 附屬公司

2.2.1 綜合入賬

附屬公司為受本集團控制的一切實體(包括結構實體)。倘本集團承擔或享有參與實體所得之可變回報，且有能力透過對實體之權力影響該等回報，則本集團對該實體擁有控制權。附屬公司自控制權轉入本集團之日起全面綜合入賬，自停止控制之日起取消綜合入賬。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

- (a) *Subsidiaries controlled through contractual arrangements*

The wholly-owned subsidiary of the Company, Xizang Huali Shengda Information Technology Limited (“**XZ Huali**”), entered into the contractual arrangements with the Huali College Guangdong University of Technology (“**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**”), 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 XZ Huali and the Group to:

- exercise effective control over the PRC Operating Entities and Guangzhou Huali Investment Company Limited (“**Huali Investment**”);

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

- (a) *透過合約安排控制的附屬公司*

本公司全資附屬公司西藏華立盛大信息科技有限公司(「**西藏華立**」)與廣東工業大學華立學院(「**華立學院**」)、廣州華立科技職業學院(「**華立職業學院**」)及廣東省華立技師學院(「**華立技師學院**」)(統稱「**中國營運實體**」)以及中國營運實體的法定所有人於2017年3月23日訂立合約安排，並於2018年8月30日訂立補充合約協議(統稱合約安排)，令西藏華立及本集團可：

- 對中國營運實體及廣州華立投資有限公司(「**華立投資**」)行使有效控制權；

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(a) *Subsidiaries controlled through contractual arrangements (Cont'd)*

- 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 XZ Huali. 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 enrollment 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;

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(a) *透過合約安排控制的附屬公司(續)*

- 就西藏華立提供的企業管理及教育服務和技術與業務支持服務收取中國營運實體及華立投資的絕大部分經濟利益回報。該等服務包括教育軟件及網站的開發、設計、升級及日常維護；設計大學課程及專業；編選及／或推薦大學課程教材；幫助招聘和培訓教師及其他僱員；招生入學後勤工作；公共關係服務；市場研發服務；管理和營銷諮詢及相關服務；及訂約各方可能不時共同協定的其他附加服務；

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(a) *Subsidiaries controlled through contractual arrangements (Cont'd)*

- 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. XZ Huali 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 XZ Huali; and

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(a) *透過合約安排控制的附屬公司(續)*

- 獲得不可撤銷獨家權利，根據中國法律法規無償或以最低購買價向各自股權持有人購買中國營運實體及華立投資的全部股權。西藏華立可根據中國法律法規隨時行使該購股權，直至獲得中國營運實體及華立投資全部股權及／或全部資產。此外，未經西藏華立事先同意，中國營運實體及華立投資不得出售、轉讓或處置任何資產或向彼等股權持有人作出任何分派；及

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(a) Subsidiaries controlled through contractual arrangements (Cont'd)

- 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.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(a) 透過合約安排控制的附屬公司(續)

- 自股權持有人獲得中國營運實體及華立投資全部股權的抵押，確保中國營運實體及華立投資履行合約安排的責任。

- 本集團並無擁有中國營運實體及華立投資的任何股權。然而，根據合約安排，本集團有權自參與中國營運實體及華立投資獲得可變回報，且有能力透過行使對中國營運實體及華立投資的權力影響該等回報，因此被視為控制中國營運實體及華立投資。因此，根據香港財務報告準則，本公司將中國營運實體及華立投資視為間接附屬公司。本集團已將中國營運實體及華立投資的財務狀況及業績載入合併財務報表。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

- (a) *Subsidiaries controlled through contractual arrangements (Cont'd)*

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.

- (b) *Business combination*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owner of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

- (a) *透過合約安排控制的附屬公司(續)*

然而，合約安排可能不如本集團對中國營運實體及華立投資擁有直接控制權的直接法定所有權有效，因為中國法律制度所呈現的不明朗因素可能妨礙本集團於中國營運實體及華立投資的業績、資產及負債的實益權利。基於法律顧問的意見，董事認為中國營運實體及華立投資及其股權持有人訂立的合約安排符合相關中國法律法規且可依法強制執行。

- (b) *業務合併*

本集團以收購法入賬業務合併。收購附屬公司所轉讓的代價乃所轉讓資產、對所收購公司前擁有人產生的負債及本集團所發行股權的公平值。所轉讓的代價包括因或然代價安排而產生的任何資產或負債的公平值。於業務合併中所收購的可識別資產及所承擔的負債及或然負債初步按收購日期的公平值計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(b) Business combination (Cont'd)

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(b) 業務合併(續)

本集團根據逐項收購基準確認於所收購公司的非控股權益。於所收購公司的非控股權益為現有所有權權益，可令持有人按比例分佔實體清盤時的資產淨值，按公平值或現有所有權權益佔所收購公司可識別資產淨值已確認金額的比例計量。非控股權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則要求以另一計量基準計量。

收購相關成本於產生時確認為開支。

倘業務合併分階段進行，則收購方原先所持所收購公司股權於收購日期的賬面值按收購日期的公平值重新計量，而因該重新計量產生的任何盈虧於損益確認。

本集團將轉讓的任何或然代價按收購日期的公平值確認。視為資產或負債之或然代價公平值的後續變動根據香港會計準則第39號於損益確認。分類為權益之或然代價不予重新計量，其後續結算於權益入賬。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(b) Business combination (Cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statements of comprehensive income.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(b) 業務合併(續)

所轉讓代價、於所收購公司的任何非控股權益金額及先前所持所收購公司股權在收購日期的公平值超出所收購可識別資產淨值之公平值的差額列賬為商譽。就廉價購買而言，倘所轉讓代價、已確認非控股權益及先前所持權益總和低於所收購附屬公司資產淨值的公平值，則該差額直接於合併綜合收益表確認。

集團內公司間交易、結餘及集團公司交易的未變現收益均予對銷。除非交易提供證據證明所轉讓資產出現減值，否則未變現虧損亦予對銷。附屬公司所呈報的金額於必要時作出調整，以與本集團的會計政策一致。

(c) 不涉及控制權變動的附屬公司所有權權益變動

不會導致失去控制權的非控股權益交易入賬列作權益交易，即與附屬公司擁有人(以擁有人的身份)進行的交易。已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值的差額列作權益。向非控股權益出售的盈虧亦計入權益。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Subsidiaries (Cont'd)

2.2.1 Consolidation (Cont'd)

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 綜合入賬(續)

(d) 出售附屬公司

當本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，有關賬面值的變動則在損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，其公平值為初始賬面值。此外，先前於其他綜合收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債入賬，即先前於其他綜合收益確認的金額按適用的香港財務報告準則指定／許可的方式重新分類至損益或轉入另一類權益。

2.2.2 獨立財務報表

附屬公司投資按成本減去減值列賬。成本包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息入賬。

倘附屬公司投資產生的股息超過附屬公司於宣派股息期間的綜合收益總額或該等投資於獨立財務報表內的賬面值超過投資對象資產淨值(包括商譽)於合併財務報表內的賬面值，則於收到該等投資所得股息時須對該等投資進行減值測試。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the entities within the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). Since the majority of the assets and operations of the Group are located in the PRC, the consolidated financial statements are presented in RMB, which is the Company’s functional currency and the Group’s presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive income within ‘finance expenses — net’. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income within ‘other (losses)/gains — net’.

2.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 主要會計政策概要(續)

2.3 分部報告

經營分部的呈報方式與向主要經營決策者(「主要經營決策者」)提供內部報告的方式一致。主要經營決策者為作出策略決定的執行董事，負責分配資源及評估經營分部表現。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體的財務報表列示的項目，採用有關實體營運所處主要經濟環境的貨幣(「功能貨幣」)計量。由於本集團的大部分資產及業務位於中國，故合併財務報表以人民幣呈列，人民幣乃本公司的功能貨幣和本集團的呈列貨幣。

(b) 交易及結餘

外幣交易按交易當日或項目重新計量估值當日的適用匯率換算為功能貨幣。

因結算該等交易及因按年末匯率換算以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損，均在合併綜合收益表確認。

有關借款的匯兌收益及虧損在合併綜合收益表內「財務開支淨額」呈列。所有其他匯兌收益及虧損在合併綜合收益表內「其他(虧損)/收益淨額」呈列。

2.5 物業、廠房及設備

所有物業、廠房及設備按歷史成本減折舊入賬。歷史成本包括收購該等項目直接應佔的開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statements of comprehensive income during the financial year in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Vehicles	5–10 years
Electronic equipment	5–10 years
Furniture and fixtures	5–20 years
Interior decoration	3–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other (losses)/gains — net' in the consolidated statements of comprehensive income.

Construction in progress represents buildings, electronic equipment, furniture and fixtures and interior decoration under construction and is stated at cost less impairment losses. Historical expenditure that is directly attributable to the construction comprises construction costs, the cost of plant and machineries and applicable borrowing costs incurred during the construction year. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to relevant categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

2 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

只有在與項目有關的未來經濟利益很可能流入本集團，且項目成本能可靠計量時，其後成本方會計入資產賬面值或確認為獨立資產(如適用)。已更換部分的賬面值會取消確認。所有其他維修及保養則計入費用產生的財政年度的合併綜合收益表。

物業、廠房及設備之折舊使用直線法計算，在以下估計可使用年期內將成本撇減(已扣除剩餘價值)：

樓宇	40年
汽車	5至10年
電子設備	5至10年
傢私及裝置	5至20年
室內裝修	3至5年

資產之剩餘價值及可使用年期於各報告年末進行檢討及調整(如適用)。

倘資產賬面值高於估計可收回金額，賬面值即時撇減至可收回金額(附註2.8)。

出售收益或虧損通過比較所得款項與賬面值釐定，並於合併綜合收益表之「其他(虧損)/收益淨額」確認。

在建工程指在建樓宇、電子設備、傢私及裝置以及室內裝修，以成本減去減值虧損列賬。建設直接產生的過往開支包括建設年度產生的建設成本、廠房及機器成本和相關借款成本。有關資產完成並可作擬定用途前，不會計提在建工程之折舊撥備。當有關資產投入使用時，相關成本會轉至物業、廠房及設備的相關類別，並按上述政策折舊。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statements of comprehensive income as part of a revaluation gain or loss in 'other (losses)/gains — net'.

2.7 Intangible assets

Intangible assets represent the computer software. Computer software is stated at cost less accumulated amortization and accumulated impairment losses. Cost represents consideration paid for the rights to use the computer software for 5 years. Amortization of computer software is calculated on the straight-line method over 5 years.

2.8 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要(續)

2.6 投資物業

投資物業乃持作賺取長期租金或資本增值或兩者兼備而非本集團所佔用的物業，主要包括租賃土地及樓宇，亦包括在建或開發以供未來用作投資物業的物業。當符合投資物業的其餘定義時，根據經營租賃持有的土地入賬列作投資物業。於此等情況下，有關經營租賃當作融資租賃入賬。投資物業初步按成本計量，包括相關交易成本及(如適用)借款成本。初始確認後，投資物業按公平值列賬，即外聘估值師在各報告日期釐定的公開市值。公平值按活躍市場價格釐定，必要時根據特定資產的性質、位置或狀況差異而調整。倘無法取得資料，本集團會使用其他估值法，例如較不活躍市場的近期價格或貼現現金流量預測。公平值變動於合併綜合收益表「其他(虧損)/收益淨額」作為重估收益或虧損的一部分列賬。

2.7 無形資產

無形資產指電腦軟件。電腦軟件以成本減累計攤銷及累計減值虧損列賬。成本指就電腦軟件5年使用權而支付的代價。電腦軟件攤銷於5年內按直線法計算。

2.8 非金融資產減值

須攤銷之資產須於發生事件或情況變動顯示其賬面值可能無法收回時進行減值測試。減值虧損按資產賬面值超出可收回金額的差額確認。可收回金額指資產公平值減銷售成本及使用價值的較高者。就評估減值而言，資產按獨立可識別現金流量的最低水平(現金產生單位)歸類。已減值的非金融資產(商譽除外)於各報告日期評估是否可能撥回減值。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.9.2 Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following measurement category:

2 主要會計政策概要(續)

2.9 金融資產

2.9.1 分類

本集團將金融資產分為以下計量類別：

- 其後按公平值計量(計入其他綜合收益或計入損益)的金融資產；及
- 按攤餘成本計量的金融資產。

分類視乎實體管理金融資產的業務模式及現金流量合約條款而定。

按公平值計量之資產的收益及虧損計入損益或其他綜合收益。債務工具投資的計量視乎持有該投資的業務模式而定。權益工具投資的計量取決於初始確認時本集團是否已不可撤回地選擇將權益投資按公平值計入其他綜合收益。

當且僅當管理該等資產的業務模式變動時，本集團才重新分類債務投資。

2.9.2 確認及計量

初始確認時，本集團按公平值加(倘屬並非按公平值計入損益的金融資產)收購金融資產直接應佔交易成本計量金融資產。按公平值計入損益的金融資產的交易成本計入損益。

債務工具

債務工具之後續計量視乎本集團管理資產的業務模式及該資產的現金流量特徵而定。本集團將債務工具分為以下計量類別：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial assets (Cont'd)

2.9.2 Recognition and measurement (Cont'd)

Debt instruments (Cont'd)

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

The Group held trade and other receivables and other financial assets at amortized cost during the year ended August 31, 2020 and held trade and other receivables during the year ended August 31, 2019, and they were classified as debt instruments and measured at amortized cost.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 Impairment of financial assets carried at amortized cost

The Group's significant financial assets, which are subject to the new expected credit loss model, include trade receivables and other receivables and other financial assets at amortized cost. The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

2 主要會計政策概要(續)

2.9 金融資產(續)

2.9.2 確認及計量(續)

債務工具(續)

攤餘成本：倘為收回合約現金流量而持有之資產的現金流量僅為支付本金及利息，則該等資產按攤餘成本計量。後續按攤餘成本計量且並非對沖關係一部分之債務投資的收益或虧損於該資產終止確認或減值時在損益確認。該等金融資產的利息收入按實際利率法計入財務收入。

本集團於截至2020年8月31日止年度內持有貿易及其他應收款項與按攤餘成本入賬的其他金融資產，於截至2019年8月31日止年度內持有貿易及其他應收款項，均分類為債務工具並按攤餘成本計量。

2.10 抵銷金融工具

當有可依法強制執行的權利抵銷已確認金額，且擬同時按淨值結算或變現資產和清償負債時，金融資產及負債會互相抵銷，並於資產負債表內呈報淨值。可依法強制執行的權利不得以未來事項作為條件，且必須可於一般業務過程中及公司或對方違約、資不抵債或破產時執行。

2.11 按攤餘成本入賬的金融資產減值

本集團須應用新預期信貸虧損模型的重大金融資產包括貿易應收款項及其他應收款項以及按攤餘成本入賬的其他金融資產。本集團須根據香港財務報告準則第9號就該等類別資產修訂減值方法。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Impairment of financial assets carried at amortized cost (Cont'd)

2.11.1 Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and requires expected lifetime losses to be recognized from initial recognition of the receivables. See Note 3.1(b) for details of the impairment policy of trade receivables.

2.11.2 Other receivables and amounts due from related parties

For other receivables and amounts due from related parties, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

2.11.3 Other financial assets at amortized cost

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. Impairment losses are presented as separate line item in the statement of profit or loss.

2.12 Contract assets and liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognized as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognized as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

2 主要會計政策概要(續)

2.11 按攤餘成本入賬的金融資產減值(續)

2.11.1 貿易應收款項

本集團採用香港財務報告準則第9號規定的簡易方法就預期信貸虧損計提撥備，該方法允許按預期存續期虧損就所有貿易應收款項計提撥備，並要求自首次確認應收款項起確認預期存續期虧損。有關貿易應收款項減值政策的詳情，請參閱附註3.1(b)。

2.11.2 其他應收款項及應收關聯方款項

經參考對手方過往違約率及目前財務狀況，管理層認為自初始確認以來其他應收款項及應收關聯方款項的信貸風險並無大幅增加。減值撥備按12個月預期信貸虧損釐定，接近於零。

2.11.3 按攤餘成本入賬的其他金融資產

本集團按前瞻性基準評估與其按攤餘成本入賬的債務工具有關的預期信貸虧損。減值虧損於損益表中作為單獨項目列示。

2.12 合約資產與負債

與客戶簽訂合約時，本集團取得向客戶收取代價的權利，並承擔向客戶轉移貨物或服務的履約責任。該等權利與履約責任的結合會產生資產淨值或負債淨額，取決於剩餘權利與履約責任的關係。倘收取代價的剩餘有條件權利的計量超過所履行的履約責任，則合約為資產，按合約資產確認。反之，倘餘下履約責任的計量超過餘下權利，則合約為負債，按合約負債確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Cash and cash equivalents

In the consolidated cash flow statements, cash and cash equivalents includes cash in hand, deposits held at call with banks and other financial institutions and short-term bank deposits with original maturities of three months or less. Bank deposits which are restricted to use are included in "restricted cash". Restricted cash is excluded from cash and cash equivalents included in the consolidated statement of cash flows.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Accruals and other payables

Accruals and other payables and amounts due to related parties are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Other payables and amounts due to related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of comprehensive income over the year of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2 主要會計政策概要(續)

2.13 現金及現金等價物

在合併現金流量表中，現金及現金等價物包括庫存現金、銀行及其他金融機構的通知存款及原到期日為三個月或以下的短期銀行存款。用途受到限制的銀行存款計入「受限制現金」。受限制現金未計入合併現金流量表中的現金及現金等價物。

2.14 股本

普通股列入權益類別。發行新股份或購股權直接產生的增量成本在權益內列作所得款項的扣減項(已扣稅)。

2.15 應計費用及其他應付款項

付款到期日為一年或以下(或在日常業務營運週期內(如更長))的應計費用及其他應付款項和應付關聯方款項分類為流動負債，否則分類為非流動負債。

其他應付款項及應付關聯方款項初始按公平值確認，其後採用實際利率法按攤餘成本計量。

2.16 借款

借款初始按公平值並扣除產生之交易成本確認。借款其後按攤餘成本列賬；所得款項(扣除交易成本)與贖回價值的任何差額使用實際利率法於借款年度在合併綜合收益表確認。

在貸款很有可能會部分或全部提取的情況下，設立貸款融資所支付的費用確認為貸款交易成本。在此情況下，該費用遞延至提取貸款為止。如無法證明該貸款很有可能會部分或全部提取，該費用計入資本作為流動資金服務的預付款項，並於有關融資期間攤銷。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Borrowings (Cont'd)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

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

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

2.18 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the consolidated statements of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) Current income tax

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

2 主要會計政策概要(續)

2.16 借款(續)

當合約規定之責任得以履行、註銷或屆滿時，借款從資產負債表移除。已消除或轉給另一方的金融負債賬面值與已付代價(包括已轉讓非現金資產或所承擔負債)之間的差額於損益中確認為其他收入或財務成本。

除非本集團可無條件將負債延長至報告年末後最少12個月清償，否則借款分類為流動負債。

2.17 借款成本

收購、建設或生產合資格資產(即需相當長時間方可作擬定用途或出售的資產)直接產生的一般和特殊借款成本會計入該等資產的成本，直至該等資產大致可作擬定用途或出售為止。

以待用作合資格資產開支的特定借款進行暫時性投資所賺取的投資收入從可撥作資本的借款成本中扣除。

所有其他借款成本於產生年度於損益確認。

2.18 當期及遞延所得稅

年內稅項開支包括當期及遞延稅項。除與於其他綜合收益確認或直接於權益確認的項目相關外，稅項於合併綜合收益表內確認。在此情況下，稅項亦分別於其他綜合收益確認或直接於權益確認。

(a) 當期所得稅

當期所得稅開支根據本公司及其附屬公司營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法規詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Current and deferred income tax (Cont'd)

(b) Deferred income tax

Inside basis differences

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

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

2 主要會計政策概要(續)

2.18 當期及遞延所得稅(續)

(b) 遞延所得稅

內部基準差額

遞延所得稅使用負債法就資產和負債的稅基與其在合併財務報表之賬面值的暫時性差額確認。然而，若遞延稅項負債來自初步確認商譽，則不予確認；若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅損益，則不作記賬。遞延所得稅以於結算日已頒佈或實質頒佈的稅率(及稅法)釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時應用。

僅於很可能出現未來應課稅利潤抵銷可用的暫時性差額時，方會確認遞延所得稅資產。

外部基準差額

對於投資附屬公司、聯營公司和合營安排產生的應課稅暫時性差額，計提遞延所得稅負債撥備，惟本集團控制暫時性差額撥回時間，且暫時性差額在可見將來很可能不會撥回時的遞延所得稅負債，則作別論。本集團通常不能控制聯營公司的暫時性差額撥回。僅於訂立協議令本集團能在可見將來控制暫時性差額撥回時，不會就聯營公司未分派利潤產生的應課稅暫時性差額確認遞延稅項負債。

僅於暫時性差額很可能在將來撥回，並有充足的應課稅利潤抵銷可用的暫時性差額時，方會就附屬公司投資產生的可扣減暫時性差額確認遞延所得稅資產。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Current and deferred income tax (Cont'd)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) Pension obligations

The entities within the Group registered in the PRC make employee benefit contributions base on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organized by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligation payable to the existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(b) Housing funds

The PRC employees of the Group are also entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries. The Group's liabilities in respect of these funds is limited to the contributions payable in each year. The non-PRC employees are not covered by the housing funds.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

2 主要會計政策概要(續)

2.18 當期及遞延所得稅(續)

(c) 抵銷

當有可依法強制執行的權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產和負債涉及同一稅務機關對有意以淨額基準償還結餘的應課稅實體或不同應課稅實體徵收的所得稅時，遞延所得稅資產與負債互相抵銷。

2.19 僱員福利

(a) 退休金責任

本集團旗下於中國註冊的實體按僱員薪資的特定比例，每月向中國相關政府機關組織的定額供款退休福利計劃及醫療福利計劃繳納僱員福利供款。政府機關承諾承擔根據該等計劃應付現有及日後退休僱員的退休福利責任。除上述供款外，本集團並無其他責任支付退休後福利。該等計劃的供款於產生時支銷。該等計劃的資產由政府機關持有及管理，獨立於本集團的資產。

(b) 住房公積金

本集團的中國僱員亦有權參加政府資助的多項住房公積金。本集團每月基於僱員薪資的特定比例向該等基金供款。本集團對該等基金的責任以各年度應付供款為限。非中國僱員無法享有該住房公積金。

(c) 僱員假期福利

僱員享有的年假福利於僱員獲得假期時確認，並就截至結算日僱員提供服務而應得之年假的估計負債計提撥備。僱員的病假及產假福利於放假時方會確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Provisions

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.21 Revenue recognition

Revenue represents tuition fees and boarding fees from provision of services by the universities of the Group.

Tuition and boarding fees are generally received in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognized proportionately over the terms of the applicable program or the beneficial period for the students, where applicable. The portion of tuition and boarding payments received from students but not yet earned is recorded as contract liabilities.

Rental income of property leasing under operating leases is recognized on a straight-line basis over the lease terms.

2.22 Government grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statements of comprehensive income over the year necessary to match them with the costs that they are intended to compensate.

2 主要會計政策概要(續)

2.20 撥備

倘本集團現時因過往事件而涉及法律或推定責任，而履行責任很可能導致資源流出，且金額已可靠估計，則會確認撥備。不會就未來經營虧損確認撥備。

倘有多項同類責任，則會整體考慮責任類別，以釐定履行責任時可能流出的資源。即使同一責任類別所涉及任何一個項目相關的資源流出可能性較低，仍須確認撥備。

撥備按反映當前市場對貨幣時間價值及責任特定風險之評估的稅前利率，以履行責任預計所需支出之現值計量。隨時間流逝而增加的撥備確認為利息開支。

2.21 收入確認

收入指本集團大學提供服務所收學費及寄宿費。

學費及寄宿費通常於各學年開始前預收，初始入賬列為合約負債。學費及寄宿費於適用課程期限或學生受益期間(如適用)按比例確認。已自學生收取但尚未成為收益的學費及寄宿費部分記錄為合約負債。

根據經營租賃出租物業所得租金收入於租期內按直線法確認。

2.22 政府補貼

政府補貼在合理保證將會收到補貼且本集團將會符合所有附帶條件時按公平值確認。

與成本相關的政府補貼會遞延至須與擬補貼的成本相應入賬的年度在合併綜合收益表確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Financial guarantee contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment.

2.24 Leases

As explained in Note 2.1(iii) above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.1(iii).

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

2 主要會計政策概要(續)

2.23 財務擔保合約

在擔保簽訂的同時，財務擔保合約確認為金融負債。該負債按公平值初步計量且其後按以下兩項的較高者計量：

- 按香港財務報告準則第9號金融工具中的預期信貸虧損模型確定的金額；及
- 初步確認的金額減去按香港財務報告準則第15號客戶合約收入的原則確認的累計收入(如適用)。

財務擔保的公平值由基於債務工具下要求的合約支付金額與毋須保證的支付金額之間或與作為承擔責任付予第三方的預計金額之間的現金流量差額的現值決定。

當與聯營公司貸款或其他應付款項相關的擔保不提供補償時，公平值作為投入列賬並且確認為投資成本的一部分。

2.24 租賃

如上文附註2.1(iii)所解釋，本集團已變更有關本集團為承租人的租賃的會計政策。新政策說明如下，變更的影響於附註2.1(iii)說明。

於租賃資產可供本集團使用之日，租賃確認為使用權資產，並確認相應負債。

合約可以同時包含租賃部分及非租賃部分。本集團根據相對獨立價格將合約代價分配至租賃部分及非租賃部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Leases (Cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay/to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 主要會計政策概要(續)

2.24 租賃(續)

租賃產生的資產及負債初步按現值計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)減去任何應收租賃優惠
- 基於指數或利率的可變租賃付款，初步使用開始日期的指數或利率計量
- 本集團根據剩餘價值擔保預期須支付的款項
- 購買選擇權的行使價(如本集團合理確定將行使該選擇權)；及
- 終止租賃的罰款支付(如租期反映承租人行使該選擇權)。

根據合理確定延期選擇權將支付的租賃款項亦計入負債計量。

租賃付款使用租賃隱含的利率貼現。如該利率不易釐定(本集團租賃一般屬該情況)，則使用承租人的增量借貸利率，即個別承租人為在類似經濟環境下獲得與使用權資產價值相近的資產，以類似條款、擔保及條件而必須支付／借入資金的利率。

租賃付款在本金與財務成本之間分攤。財務成本在租期內自損益扣除，以使各期間負債餘額產生的定期利率保持一致。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Leases (Cont'd)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Rental income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term (Note 6). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as rental income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 主要會計政策概要(續)

2.24 租賃(續)

使用權資產按成本計量，成本包括以下各項：

- 租賃負債的初始計量金額
- 於開始日期或之前作出的任何租賃付款，減去任何已獲得的租賃優惠
- 任何初始直接成本；及
- 修復成本。

使用權資產一般按直線法在資產的可使用年期與租期中較短的期間內計提折舊。

與設備及車輛短期租賃及所有低價值資產租賃相關的付款按直線法於損益內確認為開支。短期租賃指租期為12個月或以下的租賃。

本集團為出租人的經營租賃的租金收入於租期內按直線法確認(附註6)。獲取經營租賃產生的初步直接成本加入相關資產的賬面值，按與租金收入相同的基準於租期內確認為開支。各租賃資產按其性質計入資產負債表。本集團無需因採納新租賃準則而對作為出租人持有的資產的會計處理作出任何調整。

2.25 股息分派

分派予本公司股東的股息在股息獲得本公司股東或董事(如適用)批准年度於本集團及本公司財務報表中確認為負債。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group operates in the PRC with most transactions being settled in RMB, which is the functional currency of the Group's companies. The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the respective balance sheet dates are follows:

3 金融風險管理

3.1 金融風險因素

本集團業務面對多項金融風險：市場風險（包括外匯風險和現金流量及公平值利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃著眼於金融市場之不可預測性，旨在減少對本集團財務表現的潛在不利影響。

(a) 市場風險

(i) 外匯風險

本集團於中國營運，大多數交易以集團公司的功能貨幣人民幣結算。本集團目前並無外幣對沖政策，並透過密切監察外幣匯率變動管理外匯風險。

於各結算日，本集團以外幣計值的貨幣資產及負債的賬面值如下：

		Exposure to foreign currencies (expressed in RMB'000) 外幣風險 (以人民幣千元表示) As at August 31, 於8月31日	
		2020 2020年	2019 2019年
Monetary assets denominated in HK\$	以港元計值的貨幣資產		
— Cash and cash equivalents	— 現金及現金等價物	461,402	536
Monetary assets denominated in US\$	以美元計值的貨幣資產		
— Cash and cash equivalents	— 現金及現金等價物	16,497	213
— Other receivables	— 其他應收款項	216	—
— Other financial assets at amortized costs	— 按攤餘成本入賬的 其他金融資產	6,353	—
		23,066	213
Monetary liabilities denominated in US\$	以美元計值的貨幣負債		
— Other payables	— 其他應付款項	89	84
		484,379	665

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk(Cont'd)

(i) Foreign exchange risk (Cont'd)

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/(decrease) in RMB against the relevant currencies, the effect of (decrease)/increase in the post-tax profit for the year is as follows:

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
5% increase in RMB against HK\$	人民幣兌港元升值5%	(23,069)	(22)
5% decrease in RMB against HK\$	人民幣兌港元貶值5%	23,069	22
5% increase in RMB against US\$	人民幣兌美元升值5%	(960)	(6)
5% decrease in RMB against US\$	人民幣兌美元貶值5%	960	6

(ii) Cash flow and fair value interests rate risk

The Group's interest rate risk arises from bank deposits and borrowings. Borrowings obtained at floating rates expose the Group to cash flow interest rate risk which is partially offset by cash at bank with floating interest rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. During the years ended August 31, 2020 and 2019, all of the Group's borrowings bore interest at floating rates.

Bank deposits carried at prevailing market interest rate expose the Group to cash flow interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

3 金融風險管理(續)

3.1 金融風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

下表列示人民幣兌相關外幣變動5%的敏感度分析。敏感度分析僅包括以外幣計值的貨幣項目，並就外幣匯率變動5%調整其年末換算。如人民幣兌相關貨幣升值/（貶值）5%，年內稅後利潤（減少）/增加的影響如下：

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元

5% increase in RMB against HK\$	人民幣兌港元升值5%	(23,069)	(22)
5% decrease in RMB against HK\$	人民幣兌港元貶值5%	23,069	22
5% increase in RMB against US\$	人民幣兌美元升值5%	(960)	(6)
5% decrease in RMB against US\$	人民幣兌美元貶值5%	960	6

(ii) 現金流及公平值利率風險

本集團的利率風險來自銀行存款及借款。本集團因浮息借款承受現金流利率風險，但部分被存放於銀行按浮動利率計息的現金所抵銷。本集團因定息借款承受公平值利率風險。截至2020年及2019年8月31日止年度內，本集團所有借款均按浮動利率計息。

本集團因按現行市場利率計息的銀行存款承受現金流量利率風險。本集團密切監察利率趨勢及其對本集團面臨的利率風險的影響。本集團目前並無使用任何利率掉期安排，但有需要時會考慮對沖利率風險。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Cash flow and fair value interests rate risk (Cont'd)

As at August 31, 2020 and 2019, if the interest rates on the borrowings had been 50 basis points higher/lower than the prevailing rate announced by People's Bank of China, with all other variables held constant, interest charges for the year would have been RMB8,840,000 and RMB5,397,000 lower/higher, respectively.

The Group monitor interest rate fluctuation to ensure that exposure to interest rate risk is within an acceptable level.

(b) Credit risk

The Group's maximum exposure to credit risk is the carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables, amounts due from related parties, other financial assets at amortized cost.

At August 31, 2020 and 2019, substantially all of the Group's bank deposits were deposited with major financial institutions incorporated in the PRC and Hong Kong, which management believes are of high credit quality without significant credit risk.

The Group has no significant concentrations of credit risk. The Group assessed the credit quality of the counter parties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any. The Directors are of the opinion that the risk of default by counter parties is low.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forwarding-looking information.

3 金融風險管理(續)

3.1 金融風險因素(續)

(a) 市場風險(續)

(ii) 現金流及公平值利率風險(續)

於2020年及2019年8月31日，倘借款利率較中國人民銀行公佈的適用利率上升/下跌50個基點，而所有其他變量保持不變，則年度利息開支將分別減少/增加人民幣8,840,000元及人民幣5,397,000元。

本集團監察利率浮動，以確保利率風險處於可接受水平。

(b) 信貸風險

本集團的最大信貸風險來自現金及現金等價物、受限制現金、貿易及其他應收款項、應收關聯方款項、按攤餘成本入賬的其他金融資產的賬面值。

於2020年及2019年8月31日，本集團絕大部分銀行存款存放於在中國及香港註冊成立的大型金融機構，管理層相信該等機構具備高信貸質素，信貸風險不大。

本集團並無重大信貸集中風險。本集團會根據交易方的財務狀況、信貸紀錄及其他因素評估交易方的信貸質素。管理層亦會定期檢討該等應收款項的可回收性，並跟進爭議或逾期款項(如有)。董事認為交易方的違約風險低。

本集團在初始確認資產時考慮違約的可能性，並評估各報告期間信貸風險有否持續顯著增加，同時也考慮可獲得的合理及支持性前瞻資料。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

The general expected credit loss model is as summarized below:

The financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.

If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The expected credit loss is measured on lifetime basis.

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and requires expected lifetime losses to be recognized from initial recognition of the receivables.

The loss allowance of trade receivables was determined as follows:

During the years ended August 31, 2020 and 2019	截至2020年及 2019年8月31日止年度	Less than 1 year 少於1年	1 to 2 years 1至2年	2 to 3 years 2至3年
Expected loss rate	預計損失率	0.2%	25%	50%

The Group assessed the loss allowance of trade receivables based on an assessment of the expected credit losses to be incurred, including an assessment of the historical collection rate and forward looking adjustments when applicable.

Management has closely monitored the credit qualities and the collectability of these 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. Trade receivables were mainly tuition and boarding fees receivables. The loss allowance provision for these balances was not material and no provision was recorded during the years ended August 31, 2020 and 2019.

3 金融風險管理(續)

3.1 金融風險因素(續)

(b) 信貸風險(續)

一般預期信貸虧損模型概述如下：

於初始確認時並無信貸減值的金融工具分類為「第一階段」，且本集團持續監察其信貸風險。預期信貸虧損按12個月基準計量。

倘從初始確認起識別出信貸風險大幅增加，金融工具轉移至「第二階段」，惟尚未視為信貸減值。預期信貸虧損按存續期基準計量。

倘金融工具出現信貸減值，金融工具將會轉移至「第三階段」。預期信貸虧損按存續期基準計量。

本集團採用香港財務報告準則第9號規定的簡易方法就預期信貸虧損計提撥備，該方法允許按預期存續期虧損就所有貿易應收款項計提撥備，並要求自首次確認應收款項起確認預期存續期虧損。

貿易應收款項的虧損撥備按以下方式釐定：

本集團根據對將產生的預期信貸虧損的評估(包括對過往收款率的評估以及前瞻性調整(如適用))而評估貿易應收款項的虧損撥備。

管理層密切監察該等應收款項的信貸質素及可收回程度，並鑒於與彼等的過往合作及前瞻性資料，認為該等款項的預期信貸風險極低。貿易應收款項主要為應收學費及寄宿費。截至2020年及2019年8月31日止年度，該等結餘的損失撥備金額並不重大，故並無作出撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

The expected credit loss rate of trade receivables due from third parties remained stable throughout the years ended August 31, 2020 and 2019 due to the following reasons:

- trade receivables due from third parties as at August 31, 2020 and 2019 were mainly tuition fees and boarding fees receivables due from students. The historical loss rate of trade receivables due from students remained stable throughout the years ended August 31, 2020 and 2019;
- management consistently applied the same policies and procedures on collection of tuition fees and boarding fees;
- management's expectation of future economic environment and risk of default stay stable throughout the years ended August 31, 2020 and 2019.

The Directors are of the view that the industrial characteristics factors with regard to trade receivables collections have been taken into accounts in the assessment on the expected credit loss rate throughout the years ended August 31, 2020 and 2019.

(c) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions. At the end of the reporting period, the Group held available deposits of RMB865,062,000 and expected to readily generate cash inflows from the tuition income for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by committed credit lines. As at August 31, 2020, the Group has successfully obtained certain long-term bank facilities totaling RMB465,906,000 to cope with the planned capital expenditures. The Group will consider to obtain more banking facilities when there is any likelihood of shortfall in working capital.

3 金融風險管理(續)

3.1 金融風險因素(續)

(b) 信貸風險(續)

於整個截至2020年及2019年8月31日止年度，應收第三方貿易應收款項的預期信貸虧損率維持穩定，原因如下：

- 於2020年及2019年8月31日的應收第三方貿易應收款項主要為應收學生的學費及寄宿費。應收學生的貿易應收款項的過往損失率於整個截至2020年及2019年8月31日止年度維持穩定；
- 管理層貫徹採用相同的政策及程序收取學費及寄宿費；
- 於整個截至2020年及2019年8月31日止年度，管理層對未來經濟環境及違約風險的預期維持穩定。

董事認為，評估整個截至2020年及2019年8月31日止年度的預期信貸虧損率時，已考慮有關收取貿易應收款項的行業特點因素。

(c) 流動資金風險

為管理流動資金風險，本集團監察並維持管理層認為充足的現金及現金等價物水平，作為本集團營運資金並減輕現金流量波動的影響。本集團預期透過經營產生的內部現金流量及金融機構借款應付未來現金需求。於報告期末，本集團持有可動用存款人民幣865,062,000元，預期可隨時從學費收入獲得現金流入以管理流動資金風險。由於相關業務的動態性質，本集團財務部通過承諾信貸額，維持資金靈活性。截至2020年8月31日，本集團已成功獲得若干長期銀行信貸合共人民幣465,906,000元，用於應對計劃資本開支。當營運資金可能出現短缺時，本集團將考慮獲取更多銀行融資。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining year at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year 少於1年 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at August 31, 2020	於2020年8月31日					
Bank borrowings (principal plus interests)	銀行借款 (本金加利息)	230,889	242,947	1,182,300	447,597	2,103,733
Accruals and other payables (excluding non-financial liabilities)	應計費用及其他應付款項 (不包括非金融負債)	259,809	—	8,020	—	267,829
Amounts due to related parties	應付關聯方款項	21,251	—	—	—	21,251
Total	總計	511,949	242,947	1,190,320	447,597	2,392,813
As at August 31, 2019	於2019年8月31日					
Bank borrowings (principal plus interests)	銀行借款 (本金加利息)	59,214	198,322	754,119	281,635	1,293,290
Accruals and other payables (excluding non-financial liabilities)	應計費用及其他應付款項 (不包括非金融負債)	151,520	160,169	—	—	311,689
Amounts due to related parties	應付關聯方款項	623,462	48,416	—	—	671,878
Total	總計	834,196	406,907	754,119	281,635	2,276,857

3 金融風險管理(續)

3.1 金融風險因素(續)

(c) 流動資金風險(續)

下表分析乃根據結算日至合約到期日的剩餘年度將本集團的非衍生金融負債分類為相關到期日組別。表格中披露的金額為合約未貼現現金流量。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt (including external borrowings and amounts due to related parties as shown in the consolidated balance sheet) divided by total equity.

The gearing ratios as at August 31, 2020 and 2019 were as follows:

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Total debt	總債務	1,789,199	1,724,569
Total equity	總權益	2,676,818	1,580,900
Gearing ratio	負債比率	67%	109%

The decrease in the gearing ratio as at August 31, 2020 resulted primarily from the increase in total equity of the Group following the listing of the Company on November 25, 2019.

3 金融風險管理(續)

3.2 資本管理

本集團管理資本的目的是確保本集團能夠持續經營，為股東提供回報並為其他持份者提供利益，優化資本結構，削減資本成本。

為維持或調整資本架構，本集團或會調整派付予股東的股息金額，返還資本予股東，發行新股份或出售資產以削減負債。

本集團根據負債比率監控資本。負債比率按總債務(包括於合併資產負債表所示的外部借款及應付關聯方款項)除以總權益計算。

於2020年及2019年8月31日的負債比率如下：

於2020年8月31日的負債比率下降，主要是由於本公司於2019年11月25日上市後，本集團的總權益增加。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorized by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Note 16 for disclosures of the investment properties that are measured at fair value.

The carrying amounts of the Group's financial assets including cash and cash equivalents, trade and other receivables, amounts due from related parties, other financial assets at amortized cost and financial liabilities including accruals and other payables, amounts due to related parties, and current borrowings, approximate their fair values due to their short maturities. The fair values of non-current borrowings are estimated based on discounted cash flow using the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics at the respective balance sheet dates. The carrying amount of the Group's non-current amounts due to related parties also approximate their fair values because they are recognized by taking into account the imputed interest rates.

3 金融風險管理(續)

3.3 公平值估計

按公平值列賬或公平值已披露的金融工具可按計量公平值所用估值技術的輸入數據級別分類。輸入數據按以下三個公平值層級分類：

- 相同資產或負債於活躍市場的報價(未經調整)(第一級)。
- 除計入第一級的報價外，自資產或負債可直接(即價格)或間接(自價格衍生)觀察的輸入數據(第二級)。
- 並非基於可觀察市場數據(即不可觀察輸入數據)的資產或負債的輸入數據(第三級)。

有關按公平值計量的投資物業披露，請參閱附註16。

由於本集團金融資產(包括現金及現金等價物、貿易及其他應收款項、應收關聯方款項、按攤餘成本入賬的其他金融資產)及金融負債(包括應計費用及其他應付款項、應付關聯方款項和流動借款)年期短，故賬面值與公平值相若。非流動借款的公平值乃使用本集團於相應結算日可取得的條款及特點大致相若的金融工具當時市場利率，按貼現現金流量法估計。由於本集團應付關聯方的非流動款項經計及估算利率後確認，故賬面值亦與公平值相若。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Contractual Arrangements

The Group conducts a substantial portion of the business through the PRC Operating Entities and Huali Investment in the PRC due to regulatory restrictions on the foreign ownership in the Group's schools in the PRC. The Group does not have any equity interest in the PRC Operating Entities and Huali Investment. The Directors assessed whether or not the Group has control over the PRC Operating Entities and Huali Investment by assessing whether it has the 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. After assessment, the Directors concluded that the Group has control over the PRC Operating Entities and Huali Investment as a result of the Contractual Arrangements and accordingly the financial position and the operating results of the PRC Operating Entities and Huali Investment are included in the Group's consolidated financial statements throughout the years ended August 31, 2020 and 2019 or since the respective dates of incorporation/establishment, whichever is the shorter period. 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 and uncertainties presented by the PRC legal system could 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 PRC legal counsel, consider that the Contractual Arrangements with 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.

4 關鍵會計估計及判斷

估計及判斷會基於過往經驗及其他因素（包括相信在有關係情況下屬合理的對未來事件的預期）持續評估。

4.1 關鍵會計估計及假設

本集團對未來作出估計及假設，顧名思義，由此得出的會計估計絕少與實際結果相符。很可能導致對下個財政年度資產及負債賬面值作出重大調整的估計及假設說明如下。

(a) 合約安排

由於本集團中國學校的外資擁有權存在監管限制，故本集團通過中國營運實體及華立投資在中國開展大部分業務。本集團並無擁有中國營運實體及華立投資的任何股權。董事透過評估本集團是否有權參與中國營運實體及華立投資獲得可變回報及能否藉行使對中國營運實體及華立投資的權力影響該等回報，評估本集團是否控制中國營運實體及華立投資。經評估，董事認為本集團因合約安排而對中國營運實體及華立投資有控制權，故中國營運實體及華立投資於整個截至2020年及2019年8月31日止年度或自彼等註冊成立／成立日期起（以較短期間為準）的財務狀況及經營業績載入本集團的合併財務報表。然而，合約安排可能不如本集團對中國營運實體及華立投資擁有直接控制權的直接法定所有權有效。中國法律制度所呈現的不明朗因素可能妨礙本集團於中國營運實體及華立投資的業績、資產及負債的實益權利。基於中國法律顧問的意見，董事認為中國營運實體及華立投資及其股權持有人訂立的合約安排符合相關中國法律法規且可依法強制執行。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

4.1 Critical accounting estimates and assumptions (Cont'd)

(b) Income taxes and deferred taxation

According to the Implementation Rules for the Law for Promoting Private Education (“**Implementing Rules**”), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatment. The Implementing Rules provide that the private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools, and relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. However, as of the date of this report, no separate policies, regulations or rules have been introduced by the authorities in this regard. Based on the historical tax returns filed to the relevant tax authorities, the PRC Operating Entities have historically enjoyed preferential tax treatment since their establishment.

Significant judgment is required in interpreting the relevant tax rules and regulation so as to determine whether the Group is subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the year that such determination is made.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 所得稅及遞延稅項

根據《民办教育促進法實施條例》(「**實施條例**」)，民辦學校無論是否要求合理回報，均可享受稅務優惠。實施條例規定，倘民辦學校舉辦者不要求合理回報，該學校可享有與公立學校相同的稅務優惠，而國務院下屬相關部門或會推行適用於要求合理回報之民辦學校的稅務優惠及相關政策。然而，截至本報告日期，當局並無就此推行個別政策、法規或規則。根據交予相關稅務當局的過往報稅單，中國營運實體自成立以來一直享受稅務優惠。

詮釋相關稅務規則及法規需作出重要判斷，以確定本集團是否須繳納企業所得稅。是項評估基於估算及假設，可能需對未來事項作出一連串判斷。本集團可能因獲悉新資料而變更對稅項負債是否充足的判斷，繼而影響決定變更年度的稅項開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

4.1 Critical accounting estimates and assumptions (Cont'd)

(c) Useful lives and residual values of property, plant and equipment

Management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realization of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual residual values and useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and economic environment changes in response to severe industry cycles. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

(d) Fair value of investment properties

Some of the Group's assets are measured at fair value for financial reporting purposes. The board of directors of the Company determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. When level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Directors of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The fair value of investment properties is determined by using valuation technique. Details of the judgment and assumptions have been disclosed in Note 16.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(c) 物業、廠房及設備的可使用年期及剩餘價值

管理層釐定物業、廠房及設備的估計可使用年期、剩餘價值及有關折舊費用，並定期審查可使用年期及剩餘價值，確保折舊方法及折舊率符合物業、廠房及設備預期經濟效益實現模式。是項估計基於過往類似性質及功能的物業、廠房及設備的實際剩餘價值及可使用年期。技術創新及應對嚴峻的行業週期的經濟環境變化或會明顯改變估計數值。若與原先估計的可使用年期及剩餘價值有明顯出入，折舊開支金額可能有變。

(d) 投資物業公平值

本集團部分資產為財務申報目的而以公平值計量。本公司董事會為公平值計量釐定適當的估值技術及輸入數據。

估計資產公平值時，本集團使用可獲得的市場可觀察數據。倘無法獲得第一級輸入數據，本集團會委聘第三方合資格估值師進行估值。本公司董事與合資格外部估值師密切合作以建立適當的估值技術及輸入數據模型。

投資物業公平值使用估值技術釐定。判斷及假設詳情披露於附註16。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

5 SEGMENT INFORMATION

The Group is principally engaged in provision of private tertiary education and ancillary services in the PRC. The Group's CODM has been identified as the executive directors who considers the business 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. The accounting policies of the reportable segment are the same as the Group's accounting policies described in Note 2. No analysis of the Group's assets and liabilities is regularly provided to the management of the Group for review.

Revenues during the years ended August 31, 2020 and 2019 are as follows:

Recognized over time	於某一時間段確認
— Tuition fees	— 學費
— Boarding fees	— 寄宿費

Tuition fees and boarding fees are recognized proportionately over each school year. No customers individually accounted for more than 10% of the Group's revenue during the years ended August 31, 2020 and 2019.

5 分部資料

本集團主要於中國提供民辦高等教育及配套服務。本集團的主要經營決策者為執行董事，其從服務角度考慮業務。

各學校資料乃分開呈報予主要經營決策者，以供分配資源及評估分部表現。每所學校構成一個經營分部。各經營分部提供的服務及客戶類型均相似，所處監管環境亦相似，故將彼等的分部資料作為單一可呈報分部進行匯總。主要經營決策者根據合併綜合收益表所呈列的本集團年內收益及毛利評估可呈報分部的表現。可呈報分部的會計政策與附註2所述本集團會計政策相同。並無定期向本集團管理層提供本集團資產及負債的分析以供審閱。

截至2020年及2019年8月31日止年度內的收入如下：

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Recognized over time	於某一時間段確認		
— Tuition fees	— 學費	732,721	629,721
— Boarding fees	— 寄宿費	28,760	45,079
		761,481	674,800

學費及寄宿費於各學年按比例確認。截至2020年及2019年8月31日止年度內，概無客戶單獨佔本集團收入超過10%。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

6 OTHER INCOME

		Year ended August 31, 截至8月31日止年度	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Government subsidies	政府補貼	11,789	3,151
Rental income	租金收入	7,522	7,550
Interest income on other financial assets at amortized cost (Note a)	按攤餘成本入賬的 其他金融資產的 利息收入 (附註a)	309	—
		19,620	10,701

(a) The Group purchased US\$ denominated senior notes at a consideration of approximately US\$913,000 (equivalent to RMB6,511,000) on June 4, 2020. The senior notes were issued by China South City Holdings Limited on the open market with par value of US\$100 each and will expire upon September 13, 2021. Interest income generated from these senior notes is calculated using the effective interest rate method with interest rate of 7.32% per annum.

(a) 本集團於2020年6月4日購買以美元計值的優先票據，代價約913,000美元(相當於人民幣6,511,000元)。優先票據由華南城控股有限公司在公開市場上發行，面值為每份100美元，將於2021年9月13日到期。該等優先票據產生的利息收入使用實際利率法計算，年利率為7.32%。

7 OTHER (LOSSES)/GAINS — NET

		Year ended August 31, 截至8月31日止年度	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net exchange losses	匯兌虧損淨額	(5,490)	—
Fair value gains on investment properties (Note 16)	投資物業公平值收益 (附註16)	2,800	3,200
Losses on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(2,208)	(1,746)
Investment loss on put option	認沽期權投資虧損	—	(1,500)
Others	其他	1,625	1,637
		(3,273)	1,591

7 其他(虧損)/收益淨額

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

8 EXPENSES BY NATURE

8 按性質劃分的開支

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Employee benefit expenses (Note 9)	僱員福利開支 (附註9)	151,595	153,432
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備折舊 (附註15)	76,815	65,348
Joint tuition support fee (Note a)	管理費 (附註a)	70,772	55,010
Depreciation of right-of-use assets (Note 14)	使用權資產折舊 (附註14)	32,914	—
Amortization of land use rights (Note 14)	土地使用權攤銷 (附註14)	—	31,826
Listing expenses	上市開支	12,453	10,661
Promotion expenses	推廣開支	11,744	9,522
Utilities expenses	公用服務開支	11,319	16,248
Travel and entertainment expenses	差旅及娛樂開支	10,548	9,456
Office expenses	辦公室開支	8,408	8,903
School consumables	學校消耗品	8,407	14,218
Property management fee	物業管理費	6,041	16,268
Auditors' remunerations	核數師酬金		
— Audit services	— 核數服務	3,186	64
Equipment maintenance fee	設備維護費	2,778	3,961
Training expenses	培訓費	1,026	3,159
Amortization of intangible assets (Note 17)	無形資產攤銷 (附註17)	1,793	1,428
Other taxes	其他稅項	1,220	975
Other expenses	其他開支	12,515	13,653
Total cost of sales, selling expenses and administrative expenses	總銷售成本、銷售開支及行政開支	423,534	414,132

(a) A group entity entered into an agreement of Cooperation with Guangdong University of Technology, a third party, under which the Group will pay joint tuition support fees to Guangdong University of Technology in each academic year based on 17% of the tuition income of Huali College. The Group expects that the agreement will remain enforceable unless new agreement in relation to the cooperation is entered into between the Group and Guangdong University of Technology.

(a) 一間集團實體與身為第三方的廣東工業大學訂立合作協議，本集團每學年向廣東工業大學支付華立學院學費收入的17%作為管理費。本集團預計該協議將繼續可執行，除非本集團與廣東工業大學就合作訂立新協議。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

		Year ended August 31, 截至8月31日止年度	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅	135,119	136,448
Contribution to pension plan	退休金計劃供款	5,956	6,937
Welfare and other expenses	福利及其他開支	10,520	10,047
		151,595	153,432

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2019: three) directors whose emoluments are reflected in the analysis shown in Note 9(a). The emoluments payable to the remaining two (2019: two) individuals during the year are as follows:

(a) 五名最高薪人士

年內本集團薪酬最高的五名人士包括三名(2019年：三名)董事，其酬金反映於附註9(a)所示分析。年內應付餘下兩名(2019年：兩名)人士的酬金如下：

		Year ended August 31, 截至8月31日止年度	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅	2,609	2,193
Contribution to pension plan	退休金計劃供款	39	44
Welfare and other expenses	福利及其他開支	97	104
		2,745	2,341

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

9 EMPLOYEE BENEFIT EXPENSES (Cont'd)

(a) Five highest paid individuals (Cont'd)

The emoluments of the highest paid non-director individuals fell within the following bands:

		Year ended August 31, 截至8月31日止年度	
		2020 2020年	2019 2019年
Emolument bands	薪酬範圍		
Nil–HK\$1,000,000	零至1,000,000港元	—	—
HK\$1,000,000–HK\$2,000,000	1,000,000港元至 2,000,000港元	2	2
		2	2

During the years ended August 31, 2020 and 2019, none of the five highest paid individuals waived or has agreed to waive any emoluments, and none of the five highest paid individuals received emoluments from the Group as inducement to join or upon joining the Group, or as compensation for loss of office.

9 僱員福利開支(續)

(a) 五名最高薪人士(續)

最高薪酬非董事人士的薪酬介於以下範圍：

		Year ended August 31, 截至8月31日止年度	
		2020 2020年	2019 2019年
Emolument bands	薪酬範圍		
Nil–HK\$1,000,000	零至1,000,000港元	—	—
HK\$1,000,000–HK\$2,000,000	1,000,000港元至 2,000,000港元	2	2
		2	2

截至2020年及2019年8月31日止年度內，五名最高薪人士概無放棄或同意放棄任何酬金，亦無收取本集團的酬金作為加入本集團或加入本集團後的獎勵或離職補償。

10 FINANCE EXPENSES — NET

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Finance income:	財務收入：		
— Bank interest income	— 銀行利息收入	8,332	868
Finance expenses:	財務開支：		
— Interest expenses on discount of amount due to a related party (Note 34(d))	— 應付關聯方款項的已貼現利息開支(附註34(d))	(15,896)	(22,855)
— Interest expenses on bank borrowings	— 銀行借款利息開支	(67,210)	(56,870)
Less: borrowing costs capitalized in property, plant and equipment (Note a)	減：物業、廠房及設備資本化的借款成本(附註a)	31,414	32,910
		(51,692)	(46,815)
Net finance expenses	財務開支淨額	(43,360)	(45,947)

(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 5.38% and 5.65% for the years ended August 31, 2020 and 2019 respectively.

(a) 釐定將予資本化的借款成本所使用的資本化率為年內適用於該實體建設借款的利率。截至2020年及2019年8月31日止年度的資本化率分別為5.38%及5.65%。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

11 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 Law 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, 2020 and 2019.

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

The corporate income tax rate applicable to the Group's entities located in the Mainland China (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 for the Law for Promoting Private Education ("Implementing Rules"), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatment. The Implementing Rules provide that the private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools, and relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. Despite the fact that no separate policies, regulations or rules have been introduced by the authorities during the years ended August 31, 2020 and 2019 and up to date of this report, based on the historical tax returns filed to the relevant tax authorities, the colleges within the Group have historically enjoyed preferential tax treatment since their establishment.

Management considered that no corporate income tax would be imposed by the local tax bureau on the income from provision of formal educational services based on the PRC relevant tax regulation. As a result, no income tax expense was recognized for the income from the provision of educational services in respect of Huali College, Huali Vocational College and Huali Technician College during the years ended August 31, 2020 and 2019.

11 所得稅開支

(a) 開曼群島利得稅

本公司及其直接附屬公司於開曼群島根據開曼群島公司法註冊成立為獲豁免有限責任公司，因此可免繳所得稅。

(b) 香港利得稅

由於本集團於截至2020年及2019年8月31日止年度內在香港並無錄得應課稅利潤，故並無就香港利得稅計提撥備。

(c) 中國企業所得稅(「中國企業所得稅」)

根據2008年1月1日起生效的《中華人民共和國企業所得稅法》，在中國內地的本集團實體(「中國實體」)的企業所得稅適用稅率為25%。

根據《民辦教育促進法實施條例》(「實施條例」)，民辦學校無論是否要求合理回報，均可享受稅務優惠。實施條例規定，倘民辦學校舉辦者不要求合理回報，該學校可享有與公立學校相同的稅務優惠，而國務院下屬相關部門或會推行適用於要求合理回報之民辦學校的稅務優惠及相關政策。儘管截至2020年及2019年8月31日止年度內及截至本報告日期當局並無另外推行政策、法規及規則，惟根據交予相關稅務當局的過往報稅單，本集團學校自成立以來一直享受稅務優惠。

管理層認為，根據中國相關稅務法規，地方稅務局不會就提供學歷教育服務所得收入徵收企業所得稅。因此，截至2020年及2019年8月31日止年度內並無就華立學院、華立職業學院及華立技師學院提供教育服務所得收入確認所得稅開支。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

11 INCOME TAX EXPENSES (Cont'd)

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

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 Mainland China. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated in the periods subsequent to January 1, 2008.

(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, 2020 and 2019.

(e) Analysis of the Group's income tax expense:

11 所得稅開支(續)

(c) 中國企業所得稅(「中國企業所得稅」)(續)

根據《中華人民共和國企業所得稅法》，於中國內地成立的外商投資企業向外國投資者宣派的股息須按10%稅率繳納預扣稅。倘中國內地與外國投資者所在司法權區訂有稅收協定，可採用較低的預扣稅稅率。本集團須就該等於中國內地成立的附屬公司於2008年1月1日後期間所產生盈利分派的股息繳納預扣稅。

(d) 美利堅合眾國(「美國」)企業所得稅

由於本集團於截至2020年及2019年8月31日止年度內在美國並無錄得應課稅利潤，故並無就美國企業所得稅計提撥備。

(e) 本集團所得稅開支分析：

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current tax on profits for the year (Note i)	年內利潤的當期稅項 (附註i)	2,493	1,770
Deferred income tax (Note ii)	遞延所得稅 (附註ii)	1,772	2,180
		4,265	3,950

(i) Current tax on profits for the year mainly represent tax imposed on joint tuition income from two universities.

(ii) Deferred income tax represents tax on the revaluation gains of investment properties and temporary differences on the recognition of rental income.

(iii) As at August 31, 2020 and 2019, deferred income tax liabilities of RMB131,741,000 and RMB103,415,000 have not been recognized for the withholding tax that would be payable on the unremitted earnings amounted to RMB1,549,900,000 and RMB1,216,652,000 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 to the school sponsor in the foreseeable future based on management's estimation of overseas funding requirements.

(i) 年內利潤的當期稅項主要指就兩所大學的管理費收入徵收的稅項。

(ii) 遞延所得稅指有關投資物業重估收益及確認租金收入的暫時性差額的稅項。

(iii) 於2020年及2019年8月31日，未就中國營運實體金額分別為人民幣1,549,900,000元及人民幣1,216,652,000元的未匯回盈利須支付的預扣稅確認遞延所得稅負債人民幣131,741,000元及人民幣103,415,000元。根據管理層對海外資金需求的估計，有關盈利預期由中國營運實體保留用於再投資，在可見的將來不會匯回學校舉辦者。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

11 INCOME TAX EXPENSES (Cont'd)

(e) Analysis of the Group's income tax expense: (Cont'd)

(iii) (Cont'd)

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, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Profit before income tax	所得稅前利潤	310,934	227,013
Calculated at applicable corporate income tax rate	按適用企業所得稅率計算	81,706	59,302
Exemption of corporate income tax for income from formal educational services	豁免學歷教育服務收入的企業所得稅	(78,416)	(55,352)
Tax losses for which no deferred income tax asset was recognized	未確認遞延所得稅資產的稅項虧損	975	—
		4,265	3,950

12 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated on the profit attributable to owner of the Company by the weighted average number of ordinary shares in issue during the years ended August 31, 2020 and 2019.

		Year ended August 31, 截至8月31日止年度	
		2020 2020年	2019 2019年
Profit attributable to owner of the Company (RMB'000)	本公司普通股股東應佔利潤 (人民幣千元)	306,669	223,063
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數 (千股)	1,134,000	900,000
Basic earnings per share (expressed in RMB)	每股基本盈利 (以人民幣元表示)	0.270	0.248

The weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings per share has been adjusted for the effect of capitalization issue of 400,000,000 shares pursuant to the resolution dated November 5, 2019, which subsequently became effective on November 25, 2019.

11 所得稅開支(續)

(e) 本集團所得稅開支分析：(續)

(iii) (續)

本集團所得稅前利潤的稅項與使用中國(本集團主要經營地點)稅率計算的理論金額有以下差別：

12 每股盈利

(a) 基本

每股基本盈利按截至2020年及2019年8月31日止年度內本公司普通股股東應佔利潤除以已發行普通股加權平均數計算。

計算每股基本及攤薄盈利使用的已發行普通股加權平均數，已就根據日期為2019年11月5日的決議案(後於2019年11月25日生效)資本化發行400,000,000股股份的影響作出調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

12 EARNINGS PER SHARE (Cont'd)

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued during the years ended August 31, 2020 and 2019.

13 DIVIDENDS

Interim dividend for the six months ended February 29, 2020 of RMB0.051 per ordinary share (2019: nil)	截至2020年2月29日止六個月的中期股息每股普通股人民幣0.051元 (2019年：無)
--	---

Total dividends provided for or paid	已計提撥備或支付的股息總額
--------------------------------------	---------------

During the year ended August 31, 2020, dividends were paid in cash (2019: nil).

A dividend in respect of the year ended August 31, 2020 of RMB0.0626 per ordinary share, amounting to a total dividend of RMB75,120,000, is to be proposed at the annual general meeting to be held on January 20, 2021. These financial statements do not reflect this dividend payable.

(a) Dividends not recognized at the end of the reporting years

Proposed final dividend of RMB0.0626 (2019: nil) per ordinary share	建議末期股息每股普通股人民幣0.0626元 (2019年：無)
---	---------------------------------

12 每股盈利(續)

(b) 攤薄

所呈列的每股攤薄盈利與每股基本盈利相同，原因是截至2020年及2019年8月31日止年度內並無已發行潛在攤薄普通股。

13 股息

Year ended August 31,
截至8月31日止年度

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interim dividend for the six months ended February 29, 2020 of RMB0.051 per ordinary share (2019: nil)	61,620	—
Total dividends provided for or paid	61,620	—

截至2020年8月31日止年度內，股息以現金支付(2019年：無)。

截至2020年8月31日止年度的股息每股普通股人民幣0.0626元(股息總額為人民幣75,120,000元)將於2021年1月20日舉行的股東週年大會上提呈。本財務報表並無反映該應付股息。

(a) 於報告年末尚未確認的股息

Year ended August 31,
截至8月31日止年度

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Proposed final dividend of RMB0.0626 (2019: nil) per ordinary share	75,120	—

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

14 RIGHT-OF-USE ASSETS AND LAND USE RIGHTS

The Group's interests in right-of-use assets represent consideration paid or payable for obtaining the use rights of the land located in the PRC and which were held on leases from 29 to 50 years.

14 使用權資產及土地使用權

本集團的使用權資產權益指為獲得位於中國且租期介乎29至50年之土地的使用權而已付或應付的代價。

		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Land use rights 土地使用權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended August 31, 2020	截至2020年8月31日 止年度			
Opening net book amount	期初賬面淨值	—	1,096,010	1,096,010
Change in accounting policy — HKFRS 16 (Note 2)	會計政策變更 — 香港財務報告準則 第16號(附註2)	1,096,010	(1,096,010)	—
Restated opening net book amount	經重列期初賬面淨值	1,096,010	—	1,096,010
Depreciation charge	折舊費用	(35,504)	—	(35,504)
Closing net book amount	期末賬面淨值	1,060,506	—	1,060,506
Year ended August 31, 2019	截至2019年8月31日 止年度			
Opening net book amount	期初賬面淨值	—	972,052	972,052
Addition	本期新增	—	155,784	155,784
Amortization charge	攤銷費用	—	(31,826)	(31,826)
Closing net book amount	期末賬面淨值	—	1,096,010	1,096,010

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings	Electronic equipment	Furniture and fixtures	Vehicles	Interior decoration	Construction in progress	Total
		樓宇	電子設備	傢私及裝置	汽車	室內裝修	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended August 31, 2020	截至2020年8月31日止年度							
Opening net book amount	期初賬面淨值	1,727,280	49,757	28,242	5,436	24,945	762,843	2,598,503
Additions	添置	—	5,526	1,785	1,812	—	276,613	285,736
Transfers	轉讓	—	31,709	9,439	—	8,548	(49,696)	—
Disposals	出售	—	—	—	(365)	(1,974)	—	(2,339)
Depreciation charge	折舊費用	(50,897)	(13,246)	(5,229)	(1,017)	(6,426)	—	(76,815)
Closing net book amount	期末賬面淨值	1,676,383	73,746	34,237	5,866	25,093	989,760	2,805,085
As at August 31, 2020	於2020年8月31日							
Cost	成本	1,942,502	186,179	80,872	12,724	57,078	989,760	3,269,115
Accumulated depreciation	累計折舊	(266,119)	(112,433)	(46,635)	(6,858)	(31,985)	—	(464,030)
Net book amount	賬面淨值	1,676,383	73,746	34,237	5,866	25,093	989,760	2,805,085
Year ended August 31, 2019	截至2019年8月31日止年度							
Opening net book amount	期初賬面淨值	1,385,851	43,164	25,347	5,964	6,738	399,250	1,866,314
Additions	添置	—	17,634	8,350	593	—	772,706	799,283
Transfers	轉讓	384,756	—	—	—	24,357	(409,113)	—
Disposals	出售	(1,746)	—	—	—	—	—	(1,746)
Depreciation charge	折舊費用	(41,581)	(11,041)	(5,455)	(1,121)	(6,150)	—	(65,348)
Closing net book amount	期末賬面淨值	1,727,280	49,757	28,242	5,436	24,945	762,843	2,598,503
As at August 31, 2019	於2019年8月31日							
Cost	成本	1,942,502	148,944	69,648	12,653	50,528	762,843	2,987,118
Accumulated depreciation	累計折舊	(215,222)	(99,187)	(41,406)	(7,217)	(25,583)	—	(388,615)
Net book amount	賬面淨值	1,727,280	49,757	28,242	5,436	24,945	762,843	2,598,503

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

15 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation charges were included in the following categories in the consolidated statements of comprehensive income:

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cost of sales	銷售成本	71,543	59,011
Administrative expenses	行政開支	5,262	6,326
Selling expenses	銷售開支	10	11
		76,815	65,348

Construction-in-progress mainly comprises school buildings under construction in the PRC for expansion projects.

As at August 31, 2020, the Group's buildings with net book value of RMB73,248,000 (2019: RMB599,627,000) were in the process of applying for ownership certificate.

15 物業、廠房及設備(續)

折舊費用計入合併綜合收益表的以下類別：

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cost of sales	銷售成本	71,543	59,011
Administrative expenses	行政開支	5,262	6,326
Selling expenses	銷售開支	10	11
		76,815	65,348

在建工程主要包括於中國擴張項目的在建學校樓宇。

於2020年8月31日，本集團賬面淨值人民幣73,248,000元(2019年：人民幣599,627,000元)的樓宇正在申請所有權證。

16 INVESTMENT PROPERTIES

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At fair value	按公平值		
Opening net book amount	期初賬面淨值	132,200	129,000
Revaluation recognized as other gains	重估收益確認為其他收益	2,800	3,200
Closing net book amount	期末賬面淨值	135,000	132,200
Unrealized gains for the year included in profit or loss for assets held at the end of the year, under 'other (losses)/gains — net'	就年末持有資產計入損益的 年內未變現收益， 列入「其他(虧損)/ 收益淨額」	2,800	3,200

16 投資物業

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At fair value	按公平值		
Opening net book amount	期初賬面淨值	132,200	129,000
Revaluation recognized as other gains	重估收益確認為其他收益	2,800	3,200
Closing net book amount	期末賬面淨值	135,000	132,200
Unrealized gains for the year included in profit or loss for assets held at the end of the year, under 'other (losses)/gains — net'	就年末持有資產計入損益的 年內未變現收益， 列入「其他(虧損)/ 收益淨額」	2,800	3,200

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

16 INVESTMENT PROPERTIES (Cont'd)

(a) As at August 31, 2020 and 2019, investment properties of the Group comprised land and buildings for a primary school and ancillary facilities.

(b) All of the Group's investment properties were leased to a related party with rental income (Note 34(b)).

(c) Fair value hierarchy

As at August 31, 2020 and 2019, an independent valuation of the Group's investment properties was performed by an independent professional qualified valuer to determine the fair values of the investment properties.

As at August 31, 2020 and 2019, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuations were arrived at by reference to certain significant unobservable inputs. There were no transfers between levels 1, 2 and 3 during the years ended August 31, 2020 and 2019.

(d) Valuation processes of the Group

The Group's investment properties were valued as at August 31, 2020 and 2019 by an independent qualified valuer.

A team from the Group's finance department reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the Chief Financial Officer (the "CFO"). Discussions of valuation processes and results are held between the CFO, the finance team and valuer at least once a year.

(e) Valuation techniques

Investment properties in use: Income approach which takes into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield, to derive at the market value.

16 投資物業(續)

(a) 於2020年及2019年8月31日，本集團投資物業包括一所小學的土地及樓宇與配套設施。

(b) 本集團所有投資物業均出租予一名關聯方，以獲取租金收入(附註34(b))。

(c) 公平值層級

於2020年及2019年8月31日，一名獨立專業合資格估值師對本集團投資物業進行獨立估值，以釐定投資物業的公平值。

於2020年及2019年8月31日，由於估值乃參考若干重大不可觀察輸入數據得出，故本集團所有投資物業均屬公平值層級的第三級。截至2020年及2019年8月31日止年度內，第一級、第二級及第三級間並無轉移。

(d) 本集團估值過程

於2020年及2019年8月31日，本集團投資物業由一名獨立合資格估值師估值。

本集團財務部門的團隊審閱獨立估值師就財務申報所進行的估值。該團隊直接向財務總監(「財務總監」)報告。財務總監、財務團隊及估值師每年至少進行一次估值過程及結果討論。

(e) 估值技術

在用投資物業：收益法，計及物業權益的現時租金及重訂租約的可能性，以租期收益率及復歸收益率計算市場價值。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

16 INVESTMENT PROPERTIES (Cont'd)

- (f) Information about fair value measurements using significant unobservable inputs (level 3):

Property category	Description	Fair value at August 31, 2020 於2020年 8月31日的公平值	Valuation techniques	Unobservable inputs	Unobservable inputs	Relationship of unobservable inputs to fair value
物業類型	說明		估值技術	不可觀察 輸入數據	不可觀察 輸入數據	不可觀察輸入數據與 公平值的關係
Completed investment properties	Primary School and ancillary facilities	RMB135,000,000	Income approach	Market rents (RMB/sq. m./month)	21.04	The higher the market rents, the higher the fair value
已竣工投資物業	小學及配套設施	人民幣 135,000,000元	收益法	市場租金 (人民幣元/ 平方米/月)	21.04	市場租金越高， 公平值越高

Property category	Description	Fair value at August 31, 2019 於2019年 8月31日的公平值	Valuation techniques	Unobservable inputs	Unobservable inputs	Relationship of unobservable inputs to fair value
物業類型	說明		估值技術	不可觀察 輸入數據	不可觀察 輸入數據	不可觀察輸入數據與 公平值的關係
Completed investment properties	Primary School and ancillary facilities	RMB132,200,000	Income approach	Market rents (RMB/sq. m./month)	20.48	The higher the market rents, the higher the fair value
已竣工投資物業	小學及配套設施	人民幣 132,200,000元	收益法	市場租金 (人民幣元/ 平方米/月)	20.48	市場租金越高， 公平值越高

16 投資物業(續)

- (f) 採用重大不可觀察輸入數據的公平值計量資料(第三級):

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

17 INTANGIBLE ASSETS

17 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元
Year ended August 31, 2020		
Opening net book amount	截至2020年8月31日止年度 期初賬面淨值	6,475
Additions	添置	7,722
Amortization charge	攤銷費用	(1,793)
Closing net book amount	期末賬面淨值	12,404
As at August 31, 2020		
Cost	於2020年8月31日 成本	22,316
Accumulated amortization	累計攤銷	(9,912)
Net book amount	賬面淨值	12,404
Year ended August 31, 2019		
Opening net book amount	截至2019年8月31日止年度 期初賬面淨值	3,295
Additions	添置	4,608
Amortization charge	攤銷費用	(1,428)
Closing net book amount	期末賬面淨值	6,475
As at August 31, 2019		
Cost	於2019年8月31日 成本	14,594
Accumulated amortization	累計攤銷	(8,119)
Net book amount	賬面淨值	6,475

Amortization of the intangible assets has been charged to cost of sales in the consolidated statements of comprehensive income.

無形資產攤銷自合併綜合收益表銷售成本中扣除。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

18 FINANCIAL INSTRUMENTS BY CATEGORY

18 按類別劃分的金融工具

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets at amortized cost	按攤餘成本入賬的金融資產		
Amounts due from related parties	應收關聯方款項	16,766	6,779
Trade and other receivables	貿易及其他應收款項	12,519	12,472
Other financial assets at amortized cost	按攤餘成本入賬的 其他金融資產	6,353	—
Restricted cash	受限制現金	11,205	—
Cash and cash equivalents	現金及現金等價物	865,062	453,576
		911,905	472,827

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial liabilities at amortized cost	按攤餘成本入賬的金融負債		
Borrowings	借款	1,767,948	1,079,304
Amounts due to related parties	應付關聯方款項	21,251	645,265
Accruals and other payables (excluding non-financial liabilities)	應計費用及其他應付款項 (不包括非金融負債)	266,950	304,913
		2,056,149	2,029,482

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

19 PREPAYMENTS

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayment for the acquisition of right-of-use assets in Jiangmen (Note a)	收購江門使用權資產的預付款項(附註a)	124,840	—
Prepayments for purchase and construction of property, plant and equipment and intangible assets	購買及建設物業、廠房及設備與無形資產的預付款項	8,276	14,087
Prepaid listing expenses	預付上市開支	—	6,480
Others	其他	190	248
		133,306	20,815
Less: non-current portion of prepayments	減：預付款項之非即期部分	(133,116)	(14,087)
		190	6,728

(a) Pursuant to an agreement dated August 20, 2020, the Group acquired certain land use right at a consideration of RMB124,840,000 for the construction of a new school campus in Jiangmen. The legal titles of such land use right has been obtained after year end (Note 35).

19 預付款項

(a) 根據一份日期為2020年8月20日的協議，本集團就在江門建設一個新校區收購若干土地使用權，代價為人民幣124,840,000元。該土地使用權的合法所有權已於年末後取得(附註35)。

20 TRADE AND OTHER RECEIVABLES

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項		
— Tuition fees receivables from students	— 應收學生的學費	1,702	1,303
— Boarding fees receivables from students	— 應收學生的寄宿費	79	18
		1,781	1,321
Other receivables	其他應收款項		
— Deposits	— 按金	7,139	7,139
— Tuition fees receivables from financial institution	— 應收金融機構的學費	763	1,406
— Interest receivables	— 應收利息	216	—
— Staff advances	— 員工墊款	168	154
— Others	— 其他	2,452	2,452
		10,738	11,151
		12,519	12,472

20 貿易及其他應收款項

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

20 TRADE AND OTHER RECEIVABLES (Cont'd)

As at August 31, 2020 and 2019, the aging analysis of the trade receivables based on the recognition date is as follows:

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 1 year	少於1年	1,677	1,202
1 to 2 years	1至2年	104	119
		1,781	1,321

Other than other receivables of RMB216,000 as at August 31, 2020 which were denominated in US\$, all other trade and other receivables of the Group were denominated in RMB as at August 31, 2020 and 2019.

As at August 31, 2020 and 2019, the Group's maximum exposure to credit risk was the carrying value of each class of trade and other receivables mentioned above. The Group does not hold any other collateral as security.

As at August 31, 2020 and 2019, the fair values of trade and other receivables approximate their carrying amounts.

21 RESTRICTED CASH

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Restricted cash	受限制現金	11,205	—

The Group's restricted cash was denominated in RMB. As at August 31, 2020, the restricted cash in a designated bank account was for the property preservation of certain property damage litigation for a period of one year since June 19, 2020 as disclosed on Note 31.

20 貿易及其他應收款項(續)

於2020年及2019年8月31日，貿易應收款項基於確認日期的賬齡分析如下：

除於2020年8月31日人民幣216,000元的其他應收款項以美元計值外，於2020年及2019年8月31日，本集團的所有其他貿易及其他應收款項均以人民幣計值。

於2020年及2019年8月31日，本集團所面臨的最大信貸風險為上述各類貿易及其他應收款項之賬面值。本集團並無持有任何其他抵押品作為擔保。

於2020年及2019年8月31日，貿易及其他應收款項的公平值與其賬面值相若。

21 受限制現金

本集團的受限制現金以人民幣計值。於2020年8月31日，一個指定銀行賬戶中受限制現金被凍結，以就若干財產損失訴訟進行財產保全，自2020年6月19日起為期一年(如附註31所披露)。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

22 CASH AND CASH EQUIVALENTS

22 現金及現金等價物

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at banks	銀行存款	827,092	452,238
Cash on hand	庫存現金	125	213
Cash at non-bank financial institutions	於非銀行金融機構的現金	37,845	1,125
		865,062	453,576

Cash and cash equivalents of the Group are denominated in the following currencies:

本集團的現金及現金等價物以下列貨幣計值：

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	387,163	452,827
HK\$	港元	461,402	536
US\$	美元	16,497	213
		865,062	453,576

(a) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

(a) 人民幣計值結餘換算為外幣及自中國匯出該等外幣計值之銀行結餘及現金，須遵守中國政府頒佈之有關外匯管制規則及規例。

(b) As at August 31, 2020 and 2019, the Group's maximum exposure to credit risk was the carrying value of cash at banks and cash at non-bank financial institutions mentioned above.

(b) 於2020年及2019年8月31日，本集團所面臨的最大信貸風險為上述銀行存款及於非銀行金融機構的現金之賬面值。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

23 SHARE CAPITAL AND SHARE PREMIUM

23 股本及股份溢價

		Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 US\$ 美元
Authorized shares at August 31, 2018	於2018年8月31日的		
— US\$1 each	法定股份 — 每股面值1美元	50,000	50,000
Subdivision of shares (Note (b))	股份拆細 (附註(b))	499,950,000	—
Increase in authorized share capital (Note (b))	法定股本增加 (附註(b))	1,500,000,000	150,000
At August 31, 2020 and 2019	於2020年及2019年8月31日		
— US\$0.0001 each	— 每股面值0.0001美元	2,000,000,000	200,000

Issued:	已發行：	Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 US\$ 美元	Equivalent nominal value of ordinary shares 普通股 等同面值 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元
Issuance of shares upon incorporation of the Company (Note (a))	本公司註冊成立時發行股份 (附註(a))	50,000	50,000	327	—
Subdivision of shares (Note (b))	股份拆細 (附註(b))	499,950,000	—	—	—
As at August 31, 2019	於2019年8月31日	500,000,000	50,000	327	—
Capitalization issue	資本化發行	400,000,000	40,000	282	(282)
Issue of new shares pursuant to the initial public offering (Note (c))	根據首次公開發售發行新股份 (附註(c))	300,000,000	30,000	211	850,658
Dividends (Note 13)	股息 (附註13)	—	—	—	(61,620)
As at August 31, 2020	於2020年8月31日	1,200,000,000	120,000	820	788,756

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

23 SHARE CAPITAL AND SHARE PREMIUM (Cont'd)

- (a) The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on May 24, 2016 with an authorized share capital of US\$50,000 divided into 50,000 shares of par value of US\$1 each.
- (b) Pursuant to the written resolution passed by the shareholders on November 5, 2019, the authorized share capital of the Company was increased from US\$50,000 divided into 50,000 shares of US\$1 each to US\$200,000 divided into 2,000,000,000 shares of US\$0.0001 each by subdivision of one share at par value of US\$1 each to 10,000 shares at par value of US\$0.0001 each.
- (c) In connection with the initial public offering of the Company on November 25, 2019, 300,000,000 ordinary shares at par value of US\$0.0001 each were issued at HK\$3.26 each for a gross cash consideration of HK\$978,000,000 (equivalent to RMB879,613,000). After deducting the share issuance cost of RMB28,744,000, the Company's share capital and share premium increased by RMB211,000 and RMB850,658,000 respectively.

24 RESERVES AND RETAINED EARNINGS

(a) Statutory surplus reserves

Pursuant to the relevant laws and regulations in the PRC, the Company's subsidiaries in the PRC should make appropriations from after-tax profit to certain non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries. These reserves include (i) statutory reserve fund of the limited liability companies, (ii) general reserve funds of foreign invested enterprise and (iii) development funds for the schools.

- (i) In accordance with the relevant laws and regulations in the PRC and Articles of Association of the companies incorporated in the PRC now comprising the Group (the "PRC Subsidiaries"), the PRC Subsidiaries are required to appropriate 10% of the annual statutory net profits, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserves fund before distributing the net profit. When the balance of the statutory reserves fund reaches 50% of the registered capital of the PRC Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.

23 股本及股份溢價(續)

- (a) 本公司於2016年5月24日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，法定股本為50,000美元，分為50,000股每股面值1美元的股份。
- (b) 根據股東於2019年11月5日通過的書面決議案，透過將一股每股面值1美元的股份拆細為10,000股每股面值0.0001美元的股份，本公司法定股本由50,000美元(分為50,000股每股面值1美元的股份)增加至200,000美元(分為2,000,000,000股每股面值0.0001美元的股份)。
- (c) 就本公司於2019年11月25日的首次公開發售而言，300,000,000股每股面值0.0001美元的普通股按每股3.26港元發行，總現金代價為978,000,000港元(相當於人民幣879,613,000元)。扣除股份發行成本人民幣28,744,000元後，本公司的股本及股份溢價分別增加人民幣211,000元及人民幣850,658,000元。

24 儲備及保留盈利

(a) 法定盈餘儲備

根據中國相關法律及法規，本公司的中國附屬公司須按各自董事會釐定的金額自稅後利潤撥款至若干不可分派儲備基金。該等儲備包括(i)有限責任公司法定公積金；(ii)外商投資企業一般儲備金及(iii)學校發展基金。

- (i) 根據中國相關法律及法規和本集團現時旗下於中國註冊成立之公司(「中國附屬公司」)的組織章程細則，中國附屬公司須將根據中國會計準則計算的年度法定純利(抵銷以往年度虧損後)10%撥往法定公積金，然後方可分派純利。法定公積金的結餘達到中國附屬公司註冊資本50%時，股東可酌情決定是否繼續撥款。法定公積金可用以抵銷以往年度虧損(如有)或通過向股東按現有持股比例發行新股而轉為股本，惟有關發行後，法定公積金餘額不得少於註冊資本的25%。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

24 RESERVES AND RETAINED EARNINGS (Cont'd)

(a) Statutory surplus reserves (Cont'd)

(ii) Pursuant to the laws applicable to China's Foreign Investment Enterprises, the Company's subsidiary that is foreign investment enterprise in China has to make appropriations from its after-tax profit (as determined under the PRC accounting standards) to reserve funds including (i) general reserve fund, (ii) enterprise expansion fund and (iii) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after tax profits calculated in accordance with the PRC accounting standards. Appropriation is not required if the reserve fund has reached 50% of the registered capital of the company. Appropriations to the other two reserve funds are at the discretion of the company.

(iii) According to the relevant PRC laws and regulations, private schools are required to appropriate to a development fund of not less than 25% of the net profit or the annual increase of net assets of the relevant schools as determined in accordance with the PRC accounting standards. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment and not available for distribution to shareholders. Upon incurring the corresponding expenditure, an equivalent amount is transferred from development fund to retained earnings.

(b) Other reserves as at August 31, 2020 and 2019 mainly represented (i) the combined paid-in capital and capital reserves of the PRC Operating Entities and the student accommodation service of Huali Investment transferred to the Group during the reorganization; and (ii) the carrying value of certain land use rights, buildings, and properties related to the tuition services and student accommodation services that were in possession and used by the Group and deemed contributed by the Owner during the reorganization.

(c) In accordance with the principal regulations governing private education in China, a private school that does not require reasonable returns cannot distribute dividends to its sponsors. As Huali College, Huali Vocational College and Huali Technician College had elected to not require reasonable returns, the retained earnings of the PRC Operating Entities amounting to RMB1,549,900,000 and RMB1,216,652,000 as at August 31, 2020 and 2019, respectively, were not distributable to its legal owner.

24 儲備及保留盈利(續)

(a) 法定盈餘儲備(續)

(ii) 按照中國外商投資企業適用的相關法律，屬於中國外商投資企業的本公司附屬公司須將按中國會計準則釐定的稅後利潤劃撥至儲備金，包括(i)一般儲備金；(ii)企業擴充基金及(iii)僱員花紅及福利基金。劃撥至一般儲備金的金額至少為按中國會計準則所計算稅後利潤的10%。倘儲備金達到該公司註冊資本的50%，則毋須劃撥。劃撥至其他兩類儲備金的金額由該公司酌情決定。

(iii) 根據中國相關法律及法規，民辦學校須將按中國會計準則計算的純利或資產淨值年度增幅不少於25%撥至發展基金。發展基金用作興建或維修學校，或教育設備的採購或升級，不可分派予股東。相關開支產生後，等值金額由發展基金轉至保留盈利。

(b) 於2020年及2019年8月31日的其他儲備主要指(i)中國營運實體的合計實繳資本及資本儲備與重組期間轉讓予本集團的華立投資的學生住宿服務；及(ii)重組期間由本集團管有及使用並被視為由擁有人注入的有關教學服務及學生住宿服務的若干土地使用權、樓宇及物業的賬面值。

(c) 根據規管中國民辦教育的主要規例，不要求合理回報的民辦學校不得向舉辦人分派股息。由於華立學院、華立職業學院及華立技師學院選擇不要求合理回報，因此於2020年及2019年8月31日，中國營運實體的保留盈利分別人民幣1,549,900,000元及人民幣1,216,652,000元不可向法定擁有人分派。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

25 SUBSIDIARIES

The Group's principal subsidiaries at August 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

25 附屬公司

本集團於2020年8月31日的主要附屬公司載列如下。除另有說明外，有關公司的股本僅由本集團直接持有的普通股組成，持有的所有權權益比例等於本集團持有的表決權。註冊成立或登記的國家亦為彼等的主要營業地點。

Name of entity 實體名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法律實體類型	Principal activities and place of operation 主要業務及 經營地點	Particulars of issued share capital 已發行 股本詳情	Attributable equity interest of the Group 本集團應佔股權 As at August 31, 於8月31日	
				2020 2020年	2019 2019年
<u>Directly held by the Company:</u> 本公司直接持有：					
Huali Investment Holding Limited	Cayman Islands, limited liability 開曼群島，有限責任	Investment holding in Cayman Islands 開曼群島投資控股	US\$50,000 50,000美元	100%	100%
<u>Indirectly held by the Company:</u> 本公司間接持有：					
Huali (HK) Education Investment Limited	Hong Kong, limited liability 香港，有限責任	Investment holding in Hong Kong 香港投資控股	HK\$10,000 10,000港元	100%	100%
Guangzhou Huali Shengrong Education Technology Company Limited	PRC, limited liability 中國，有限責任	Investment holding in the PRC 中國投資控股	RMB300,000,000 人民幣 300,000,000元	100%	100%
XZ Huali	PRC, limited liability 中國，有限責任	Investment holding in the PRC 中國投資控股	RMB100,000,000 人民幣 100,000,000元	100%	100%
USA Huali Educational Services LLC	USA, limited liability 美國，有限責任	College in the USA 美國學院	US\$50,000 50,000美元	100%	100%
Haikou Huashi Investment Company Limited	PRC, limited liability 中國，有限責任	Investment holding in the PRC 中國投資控股	RMB100,000,000 人民幣 100,000,000元	100%	—
Guangzhou Huashi Technology Company Limited	PRC, limited liability 中國，有限責任	Investment holding in the PRC 中國投資控股	RMB1,000,000 人民幣 1,000,000元	100%	—
Guangzhou Shigeshijie Motor Vehicle Driver Training School Company Limited	PRC, limited liability 中國，有限責任	Motor Vehicle Driver Training School in the PRC 中國機動車駕駛員培訓學校	RMB1,000,000 人民幣 1,000,000元	100%	—
<u>Treated as subsidiaries under the Contractual Arrangements:</u> 根據合約安排被視為附屬公司：					
Huali College	PRC, private independent college 中國，民辦獨立學院	College in the PRC 中國學院	RMB10,000,000 人民幣 10,000,000元	100%	100%
Huali Vocational College	PRC, formal higher education institution 中國，學歷高等教育機構	College in the PRC 中國學院	RMB10,000,000 人民幣 10,000,000元	100%	100%
Huali Technician College	PRC, private tertiary vocational school 中國，民辦高等職業學校	College in the PRC 中國學院	RMB500,000 人民幣500,000元	100%	100%
Huali Investment	PRC, limited liability 中國，有限責任	School Sponsor in the PRC 中國學校舉辦人	RMB400,000,000 人民幣 400,000,000元	100%	100%

Note (i): The entities shown above do not have official English names and their Chinese names have been translated into English, for reference only, by the Directors on a best effort basis.

附註(i)：上述實體並無正式英文名稱，該等英文名稱由董事盡最大努力按中文名稱翻譯，僅供參考。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

25 SUBSIDIARIES (Cont'd)

(i) Significant restrictions

Cash and short-term deposits held in the PRC are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends.

The carrying amount of the assets included within the consolidated financial statements to which these restrictions apply was RMB396,074,000 as at August 31, 2020 (2019: RMB452,827,000).

25 附屬公司(續)

(i) 重大限制

在中國持有的現金及短期存款受當地外匯管制條例約束。有關條例規定有關從該等國家輸出資本的限制(通過正常股息除外)。

於2020年8月31日，該等限制適用的計入合併財務報表內的資產賬面值為人民幣396,074,000元(2019年：人民幣452,827,000元)。

26 ACCRUALS AND OTHER PAYABLES AND AMOUNTS DUE TO RELATED PARTIES

26 應計費用及其他應付款項以及應付關聯方款項

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Payable for purchase of property, plant and equipment	購置物業、廠房及設備的應付款項	139,320	192,180
Payable for joint tuition support fees (Note (a))	管理費應付款項(附註(a))	70,772	55,010
Miscellaneous fee received from students (Note (b))	已收學生的雜費(附註(b))	21,146	26,148
Government subsidies payable to students	應付學生的政府補貼	18,796	15,555
Employee benefits payable	應付僱員福利	9,517	9,943
Interest payable	應付利息	3,828	1,773
Network and telecommunication fee payable	應付網絡及通訊費用	2,585	3,098
Other taxes payable	其他應付稅項	1,290	1,379
Payable for property management service	物業管理服務應付款項	299	5,930
Listing expenses payable	應付上市開支	—	1,739
Others	其他	10,204	3,480
		277,757	316,235
Less: non-current portion	減：非即期部分		
Payable for purchase of property, plant and equipment (Note (d))	購置物業、廠房及設備的應付款項(附註(d))	(7,141)	(152,166)
Current portion	即期部分	270,616	164,069
Amounts due to related parties (Note 34(d))	應付關聯方款項(附註34(d))		
— Current	— 即期	21,251	600,788
— Non-current	— 非即期	—	44,477
		21,251	645,265

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

26 ACCRUALS AND OTHER PAYABLES AND AMOUNTS DUE TO RELATED PARTIES (Cont'd)

- (a) As at August 31, 2020 and 2019, the aging analysis of the payables for joint tuition support fees was as follows:

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	少於1年	70,772	55,010

- (b) The amounts represent the miscellaneous fee received from students which would be paid out by the Group on behalf of students.
- (c) As at August 31, 2020 and 2019, the fair values of accruals and other payables excluding non-current payables approximated their carrying amounts due to their short-term maturities. The fair values of amounts due to related parties as at August 31, 2020 and 2019, were estimated by discounting the future cash flows using the effective interest rate available to the Group.
- (d) As at August 31, 2020 and 2019, the non-current payables were initially recognized at fair value at discount rate of 4.75% per annum and subsequently measured at amortized cost using the effective interest rate method.

26 應計費用及其他應付款項以及應付關聯方款項(續)

- (a) 於2020年及2019年8月31日，管理費應付款項的賬齡分析如下：

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	少於1年	70,772	55,010

- (b) 有關款項指已收學生的雜費，將由本集團代學生支付。
- (c) 於2020年及2019年8月31日，應計費用及其他應付款項(不包括非即期應付款項)的公平值與其賬面值相若，原因是到期時間較短。應付關聯方款項於2020年及2019年8月31日的公平值乃使用本集團可獲得的實際利率貼現未來現金流量而估計。
- (d) 於2020年及2019年8月31日，非即期應付款項初步以公平值按4.75%的年貼現率確認，其後使用實際利率法按攤餘成本計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

27 CONTRACT LIABILITIES

The Group has recognized the following revenue-related contract liabilities:

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract liabilities related to tuition fees	與學費相關的合約負債	250,092	618,432
Contract liabilities related to boarding fees	與寄宿費相關的合約負債	21,679	47,176
Others	其他	—	425
		271,771	666,033

(a) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized for the years ended August 31, 2020 and 2019 related to carried-forward contract liabilities:

		Year ended August 31, 截至8月31日止年度	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year	年初計入合約負債結餘的已確認收入		
— Tuition fees	— 學費	618,432	518,908
— Boarding fees	— 寄宿費	47,176	36,750
— Others	— 其他	425	268
		666,033	555,926

(b) Unsatisfied contracts

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expected to be recognized within one year	預期於一年內確認		
— Tuition fees	— 學費	250,092	618,432
— Boarding fees	— 寄宿費	21,679	47,176
— Others	— 其他	—	425
		271,771	666,033

27 合約負債

本集團已確認以下與收入相關的合約負債：

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract liabilities related to tuition fees	與學費相關的合約負債	250,092	618,432
Contract liabilities related to boarding fees	與寄宿費相關的合約負債	21,679	47,176
Others	其他	—	425
		271,771	666,033

(a) 與合約負債相關的已確認收入

下表列示截至2020年及2019年8月31日止年度有關結轉合約負債的已確認收入金額：

		Year ended August 31, 截至8月31日止年度	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year	年初計入合約負債結餘的已確認收入		
— Tuition fees	— 學費	618,432	518,908
— Boarding fees	— 寄宿費	47,176	36,750
— Others	— 其他	425	268
		666,033	555,926

(b) 未履行合約

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expected to be recognized within one year	預期於一年內確認		
— Tuition fees	— 學費	250,092	618,432
— Boarding fees	— 寄宿費	21,679	47,176
— Others	— 其他	—	425
		271,771	666,033

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

28 BORROWINGS

28 借款

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current:	即期：		
— Secured bank borrowings	— 有抵押銀行借款	145,217	396
Non-current:	非即期：		
— Secured bank borrowings	— 有抵押銀行借款	1,622,731	1,078,908
Total borrowings	借款總額	1,767,948	1,079,304

(a) As at August 31, 2020 and 2019, bank borrowings were pledged by the equity interest of a group entity and the charging right of the service fees owned by a group entity according to the contractual arrangements.

(b) The weighted average effective interest rates (per annum) were as follows:

(a) 於2020年及2019年8月31日，根據合約安排，銀行借款以一間集團實體的股權及一間集團實體擁有的服務費收費權作抵押。

(b) 加權平均實際年利率如下：

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
Bank borrowings	銀行借款	5.38%	5.65%

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

28 BORROWINGS (Cont'd)

(c) The maturity date of the borrowing was analyzed as follows:

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 1 year	少於1年	145,217	396
1 to 2 years	1至2年	165,720	145,060
2 to 5 years	2至5年	1,039,148	659,918
Over 5 years	5年以上	417,863	273,930
		1,767,948	1,079,304

The carrying amount for the current borrowings approximated their fair values because of their short term maturities. The carrying amount for non-current borrowings approximated their fair values as they were carried at floating interest rates.

(d) As at August 31, 2020 and 2019, the Group's bank borrowings were denominated in RMB.

29 DEFERRED INCOME TAX LIABILITIES

The analysis of deferred income tax liabilities is as follows:

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deferred income tax liabilities:	遞延所得稅負債：		
— to be recovered by more than 12 months	— 將於12個月以上期間收回	36,461	34,689

28 借款(續)

(c) 借款到期日分析如下：

		As at August 31, 於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 1 year	少於1年	145,217	396
1 to 2 years	1至2年	165,720	145,060
2 to 5 years	2至5年	1,039,148	659,918
Over 5 years	5年以上	417,863	273,930
		1,767,948	1,079,304

由於流動借款於短期內到期，故賬面值與公平值相若。由於非流動借款以浮動利率計息，故其賬面值與公平值相若。

(d) 於2020年及2019年8月31日，本集團的銀行借款以人民幣計值。

29 遞延所得稅負債

遞延所得稅負債分析如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

29 DEFERRED INCOME TAX LIABILITIES (Cont'd)

The movement in deferred income tax liabilities during the years, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

		Fair value gain of investment properties	Timing differences on recognition of rental income	Total
		投資物業 公平值收益	確認租金收入 時間差	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 September, 2019	於2019年9月1日	31,775	2,914	34,689
Charged to profit or loss (Note 11)	自損益扣除 (附註11)	700	1,072	1,772
Year ended August 31, 2020	截至2020年8月31日止年度	32,475	3,986	36,461
As at 1 September, 2018	於2018年9月1日	30,975	1,534	32,509
Charged to profit or loss (Note 11)	自損益扣除 (附註11)	800	1,380	2,180
Year ended August 31, 2019	截至2019年8月31日止年度	31,775	2,914	34,689

As at August 31, 2020 and 2019, the Group did not recognize deferred income tax assets in respect of tax losses amounted to RMB975,000 and nil. As at August 31, 2020, the unused tax losses amounting to RMB3,900,000 can be carried forward against future taxable income under the PRC CIT Law and these tax losses will expire after 2025.

29 遞延所得稅負債(續)

有關年度內遞延所得稅負債變動(未計及抵銷同一稅務管轄區的餘額)如下:

於2020年及2019年8月31日，本集團未就金額為人民幣975,000元及零的稅項虧損確認遞延所得稅資產。於2020年8月31日，金額為人民幣3,900,000元的未動用稅項虧損根據中國企業所得稅法可結轉抵銷未來應課稅收入，該等稅項虧損將於2025年後到期。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

30 CASH GENERATED FROM OPERATIONS

30 經營所得現金

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Profit before income tax	所得稅前利潤	310,934	227,013
Adjustments for:	就以下各項作出調整：		
— Depreciation of property, plant and equipment (Note 15)	— 物業、廠房及設備折舊 (附註15)	76,815	65,348
— Depreciation of right-of-use assets (Note 14)	— 使用權資產折舊 (附註14)	32,914	—
— Amortization of land use rights (Note 14)	— 土地使用權攤銷 (附註14)	—	31,826
— Amortization of intangible assets (Note 17)	— 無形資產攤銷 (附註17)	1,793	1,428
— Losses on disposals of property, plant and equipment (Note 7)	— 出售物業、廠房及設備的虧損 (附註7)	2,208	1,746
— Interest expenses on bank borrowings less borrowing costs capitalized in property, plant and equipment (Note 10)	— 銀行借款利息開支減物業、廠房及設備資本化的借款成本 (附註10)	35,796	23,960
— Interest expenses on discount of amount due to a related party (Note 10)	— 應付關聯方款項的已貼現利息開支 (附註10)	15,896	22,855
— Net exchange losses	— 匯兌虧損淨額	5,490	—
— Fair value gains on investment properties (Note 7)	— 投資物業公平值收益 (附註7)	(2,800)	(3,200)
— Interest income on other financial assets at amortized cost	— 按攤餘成本入賬的其他金融資產的利息收入	(309)	—
Operating profit before changes in working capital:	營運資金變動前的經營利潤：	478,737	370,976
Changes in working capital	營運資金變動		
— Increase in amounts due from related parties	— 應收關聯方款項增加	(9,987)	(6,719)
— Decrease in amounts due to related parties	— 應付關聯方款項減少	6,779	—
— Prepayments	— 預付款項	58	23
— Restricted cash	— 受限制現金	(11,205)	—
— Trade and other receivables	— 貿易及其他應收款項	169	945
— Accruals and other payables	— 應計費用及其他應付款項	12,327	26,734
— Contract liabilities	— 合約負債	(394,262)	110,107
Cash generated from operations	經營所得現金	82,616	502,066

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

30 CASH GENERATED FROM OPERATIONS (Cont'd)

(a) Reconciliation of liabilities arising from financing activities

		September 1, 2019 2019年 9月1日 RMB'000 人民幣千元	Imputed interest 估算利息 RMB'000 人民幣千元	Cash flows 現金流量 RMB'000 人民幣千元	August 31, 2020 2020年 8月31日 RMB'000 人民幣千元
Borrowings	借款	1,079,304	—	688,644	1,767,948
Amount due to related parties	應付關聯方款項	596,764	15,896	(612,660)	—
Liabilities from financing activities	融資活動產生的負債	1,676,068	15,896	75,984	1,767,948

		September 1, 2018 2018年 9月1日 RMB'000 人民幣千元	Imputed interest 估算利息 RMB'000 人民幣千元	Cash flows 現金流量 RMB'000 人民幣千元	August 31, 2019 2019年 8月31日 RMB'000 人民幣千元
Borrowings	借款	855,800	—	223,504	1,079,304
Amount due to related parties	應付關聯方款項	606,916	22,855	(33,007)	596,764
Liabilities from financing activities	融資活動產生的負債	1,462,716	22,855	190,497	1,676,068

(b) Proceeds from disposal of property, plant and equipment

In the consolidated cash flow statements, proceeds from disposals of property, plant and equipment comprise:

(b) 出售物業、廠房及設備所得款項

合併現金流量表中，出售物業、廠房及設備所得款項包括：

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Net book amount of the property, plant and equipment disposed (Note 15)	所售物業、廠房及設備的賬面淨值（附註15）	2,339	1,746
Losses on disposals of property, plant and equipment (Note 7)	出售物業、廠房及設備的虧損（附註7）	(2,208)	(1,746)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	131	—

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

31 CONTINGENCIES

On May 24, 2020, a group entity was accused by an independent third party, who claimed itself to be a tenant of the properties on the land in Jiangmen City acquired by the Group in January 2019, for a compensation of RMB11,205,000 for the damage of its properties caused by the Group during the process of clearing the land. According to the order from the court, the Group's bank deposits of RMB11,205,000 have been frozen as a guarantee of execution of potential claim in respect of the case (Note 21). Up to the date of this report, this case was awaiting for trial. The Directors are of the view that the probability of paying such compensation is low based on the information available up to the date of this report and by reference to the legal advice provided by the Company's PRC legal adviser. Thus, no provision has been made in the Group's consolidated financial statements as at August 31, 2020.

Except for the aforementioned lawsuit, as at August 31, 2020, the Group was not involved in any other material lawsuit, arbitration or administrative proceedings which the Group expects would materially and adversely affect its financial position or results of operations.

32 CAPITAL COMMITMENTS

As at August 31, 2020 and 2019, the Group had the following capital commitments on construction and purchase of property, plant and equipment:

31 或然負債

於2020年5月24日，一間集團實體被一名獨立第三方指控，該第三方聲稱為本集團於2019年1月收購的江門市土地上物業的租戶，要求就本集團在清理土地過程中造成的其財產損失賠償人民幣11,205,000元。根據法院命令，本集團人民幣11,205,000元的銀行存款被凍結，作為執行有關該案件的潛在索償的擔保(附註21)。截至本報告日期，該案件正在等待審理。根據截至本報告日期可得的資料及參考本公司中國法律顧問提供的法律意見，董事認為，支付該賠償的可能性較低。因此，並無於本集團於2020年8月31日的合併財務報表中作出撥備。

除上述訴訟外，於2020年8月31日，本集團並未牽涉本集團預計會對其財務狀況或經營業績造成重大不利影響的任何其他重大訴訟、仲裁或行政程序。

32 資本承擔

於2020年及2019年8月31日，本集團有以下建設及購買物業、廠房及設備的資本承擔：

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Contracted but not provided for	已訂約但未撥備	414,467	500,587
Authorized but not contracted for	已授權但未訂約	241,299	168,402
		655,766	668,989

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

33 OPERATING LEASE COMMITMENTS

As lessor

The Group leased its investment properties to a related party and certain space to signal stations of a telecommunication company under operating lease arrangement, with leases negotiated for terms ranging from one to twenty years.

As at August 31, 2020 and 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		As at August 31, 於8月31日	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Less than 1 year	少於1年	4,303	2,597
1 to 5 years	1至5年	25,565	22,728
Over 5 years	5年以上	94,984	101,756
		124,852	127,081

33 經營租賃承擔

作為出租人

本集團根據經營租賃安排向一名關聯方出租投資物業及出租若干空間用作一間電信公司的信號站，租期經協商介乎一至二十年。

於2020年及2019年8月31日，根據與租戶的不可撤銷經營租賃，本集團於下列時間到期的未來最低應收租金總額如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020
(All amounts expressed in RMB unless otherwise stated)
截至2020年8月31日止年度
(除另有指明外，所有金額以人民幣表示)

34 RELATED PARTY TRANSACTIONS

The ultimate holding company of the Company is HL-Diamond. The Directors consider the ultimate controlling party to be Mr. Zhang Zhifeng, who is also the executive director and chairman of the Company.

(a) Names and relationships with related parties

The following companies and individuals are related parties of the Group that had balances and/or transactions with the Group during the years ended August 31, 2020 and 2019.

Name of related parties

關聯方名稱

Mr. Zhang Zhifeng

張智峰先生

Guangdong Hualiyuan Technology Company Limited

(“Hualiyuan Technology”) “廣東華立園科技有限公司” (Note (ii))

廣東華立園科技有限公司 (「華立園科技») (附註(ii))

Guangzhou Lingmei Life Service Co., Ltd (“Lingmei Life Service”)

“廣州領美生活服務有限公司” (Note (i))

廣州領美生活服務有限公司 (「領美生活服務») (附註(i))

Huali Bilingual School of Yunfu (Yun’an District)

(“Yunfu Bilingual School”) “雲浮市雲安區華立中英文學校”

(Former name: 雲浮市雲安區華立中英文小學) (Note (ii))

雲浮市雲安區華立中英文學校 (「雲浮中英文學校»)

(前名：雲浮市雲安區華立中英文小學) (附註(ii))

Gaobiao Construction Engineering Co., Ltd. (“Guangzhou Gaobiao”)

“廣州高標建築工程有限公司” (Note (i))

廣州高標建築工程有限公司 (「廣州高標») (附註(i))

Note (i): The entities shown above do not have official English names and their Chinese names have been translated into English, for reference only, by the Directors on a best effort basis.

34 關聯方交易

本公司的最終控股公司為HL-Diamond。董事認為，最終控股方為張智峰先生，彼亦為本公司的執行董事兼董事長。

(a) 關聯方的名稱及關係

下列公司及個人為截至2020年及2019年8月31日止年度內與本集團有結餘及／或交易的本集團關聯方。

Relationship with the Group

與本集團的關係

Controlling shareholder,
the Owner

控股股東、擁有人

A Company controlled by
the Owner

由擁有人控制的公司

A Company controlled by
the Owner

由擁有人控制的公司

A Company controlled by
the Owner

由擁有人控制的公司

A Company under
significant influence of the Owner
受擁有人重大影響的公司

附註(i)：上述實體並無正式英文名稱，該等英文名稱由董事盡最大努力按中文名稱翻譯，僅供參考。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

34 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Significant transactions with related parties

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Rental income	租金收入		
— Yunfu Bilingual School (Note(i))	— 雲浮中英文學校 (附註(i))	6,748	6,748
Rental expenses	租金支出		
— Hualiyuan Technology (Note(ii))	— 華立園科技 (附註(ii))	860	—
Construction in progress incurred	在建工程		
— Guangzhou Gaobiao	— 廣州高標	85,928	306,663

(i) All of the Group's investment properties were leased to a related party for rental income amounting to RMB6,748,000 and RMB6,748,000 during the years ended August 31, 2020 and 2019 respectively.

(ii) On September 1, 2019, The Group entered into properties lease agreement with Hualiyuan Technology, pursuant to which Hualiyuan Technology agreed to lease certain residential apartments to the Group commencing from September 1, 2019 to August 31, 2022, with a monthly rent of RMB16 per sq. m. (exclusive of management fees, value added taxes and local levies). The actual rental fee is variable and subject to the change of actual usage area at each year.

(c) Key management compensation

Key management compensation for the years ended August 31, 2020 and 2019, other than those relating to the emoluments of directors being disclosed in Note 37, are set out below:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅	4,020	3,604
Contributions to pension plans	退休金計劃供款	64	71
Welfare, medical and other expenses	福利、醫療及其他開支	165	164
		4,249	3,839

Mr. Zhang Zhijian has resigned as a vice-president of the Company with effect from July 17, 2020.

張智堅先生已辭任本公司副總裁，自2020年7月17日起生效。

34 關聯方交易 (續)

(b) 與關聯方的重大交易

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元

Rental income	租金收入		
— Yunfu Bilingual School (Note(i))	— 雲浮中英文學校 (附註(i))	6,748	6,748
Rental expenses	租金支出		
— Hualiyuan Technology (Note(ii))	— 華立園科技 (附註(ii))	860	—
Construction in progress incurred	在建工程		
— Guangzhou Gaobiao	— 廣州高標	85,928	306,663

(i) 本集團所有投資物業均出租予一名關聯方，於截至2020年及2019年8月31日止年度的租金收入分別為人民幣6,748,000元及人民幣6,748,000元。

(ii) 於2019年9月1日，本集團與華立園科技訂立物業租賃協議，據此，華立園科技同意向本集團出租若干住宅公寓，租期自2019年9月1日至2022年8月31日，月租金為每平方米人民幣16元（不含管理費、增值稅及地方徵稅）。實際租金可變，並取決於每年實際使用面積的變化。

(c) 主要管理人員報酬

截至2020年及2019年8月31日止年度，除附註37披露的董事酬金外，主要管理人員報酬載列如下：

		Year ended August 31, 截至8月31日止年度	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元

Wages, salaries and bonuses	工資、薪金及花紅	4,020	3,604
Contributions to pension plans	退休金計劃供款	64	71
Welfare, medical and other expenses	福利、醫療及其他開支	165	164
		4,249	3,839

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

34 RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balances with related parties

Amounts due from related parties

- Yunfu Bilingual School (i)
- Hualiyuan Technology

應收關聯方款項

- 雲浮中英文學校(i)
- 華立園科技

As at August 31,

於8月31日

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts due from related parties	應收關聯方款項		
— Yunfu Bilingual School (i)	— 雲浮中英文學校(i)	16,120	6,779
— Hualiyuan Technology	— 華立園科技	646	—
		16,766	6,779
Amounts due to related parties	應付關聯方款項		
— Guangzhou Gaobiao (ii)	— 廣州高標(ii)	21,251	55,280
— Hualiyuan Technology (iii)	— 華立園科技(iii)	—	496,580
— Lingmei Life Service	— 領美生活服務	—	93,405
		21,251	645,265

(i) As at August 31, 2020 and 2019, amounts due from Yunfu Bilingual School was trade in nature and represented receivables in respect of rental income of investment properties after offsetting amounts due to Hualiyuan Technology.

(ii) As at August 31, 2020 and 2019, amounts due to Guangzhou Gaobiao represented payable in respect of construction of expansion projects. Pursuant to the terms of a construction contracts dated on December 7, 2018 and a supplemental agreement dated on December 10, 2018, the Group are obliged to settle, on an accumulative basis, 95% of the construction fee within 18 months upon the completion of the construction works. The non-current portion of the payables was initially recognized at fair value at discount rate of 4.75% per annum and subsequently measured at amortized cost using the effective interest rate method.

34 關聯方交易(續)

(d) 與關聯方的結餘

As at August 31,
於8月31日

	2020	2019
	2020年	2019年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Amounts due from related parties		
— Yunfu Bilingual School (i)	16,120	6,779
— Hualiyuan Technology	646	—
	16,766	6,779
Amounts due to related parties		
— Guangzhou Gaobiao (ii)	21,251	55,280
— Hualiyuan Technology (iii)	—	496,580
— Lingmei Life Service	—	93,405
	21,251	645,265

(i) 於2020年及2019年8月31日，應收雲浮中英文學校的款項為貿易性質，為抵銷應付華立園科技的款項後有關投資物業租金收入的應收款項。

(ii) 於2020年及2019年8月31日，應付廣州高標款項為就建設擴建項目應付款項。根據日期為2018年12月7日的建築合同及日期為2018年12月10日的補充協議的條款，本集團須於建築工程完工後18個月內累計支付建設費的95%。該應付款項的非即期部分初步以公平值按4.75%的年貼現率確認，其後使用實際利率法按攤餘成本計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

34 RELATED PARTY TRANSACTIONS (Cont'd)

(d) Balances with related parties (Cont'd)

- (iii) Pursuant to the asset acquisition agreement with Hualiyuan Technology dated April 30, 2017, the consideration payable by the Group to Hualiyuan Technology amounting to RMB547,000,000, which is non-interest bearing and unsecured, among which RMB27,350,000 is repayable by the end of October 2017 and remaining payable of RMB519,650,000 was repayable no later than April 30, 2020 (i.e. 3 years after the agreement date). The non-current portion of the payables was initially recognized at fair value at discount rate of 4.75% per annum and subsequently measured at amortized cost using the effective interest rate method. The amounts were settled during the year ended August 31, 2020. The amortized interest expense for the year ended August 31, 2020 was RMB15,896,000 (year ended August 31, 2019: RMB22,855,000).
- (iv) As at August 31, 2020 and 2019, the carrying amounts of the amounts due from/to related parties approximate their fair values and were denominated in RMB. Except for the amounts due to Hualiyuan Technology relating to the asset acquisition which were settled as at August 31, 2020 and amounts due to Guangzhou Gaobiao which were settled within 18 months upon the completion of the construction works, all other balance due from/to related parties are unsecured, interest-free, and repayable on demand.

35 EVENT OCCURRING AFTER THE REPORTING PERIOD

On September 18, 2020, the Group obtained the legal titles of right-of-use assets purchased from Jiangmen Public Resources Centre, Xinhui Branch for the construction of a new school campus in Jiangmen as disclosed in Note 19.

34 關聯方交易(續)

(d) 與關聯方的結餘(續)

- (iii) 根據2017年4月30日與華立園科技訂立的資產收購協議，本集團應付華立園科技的代價為人民幣547,000,000元，不計利息且無抵押，其中人民幣27,350,000元須於2017年10月底前付清，餘下應付款項人民幣519,650,000元須不遲於2020年4月30日(即協議日期起計三年後)付清。該應付款項的非即期部分初步以公平值按4.75%的年貼現率確認，其後使用實際利率法按攤餘成本計量。有關款項已於截至2020年8月31日止年度內結清。截至2020年8月31日止年度的攤銷利息開支為人民幣15,896,000元(截至2019年8月31日止年度：人民幣22,855,000元)。
- (iv) 於2020年及2019年8月31日，應收／應付關聯方款項的賬面值與其公平值相若，並以人民幣計值。除就資產收購應付華立園科技的款項(截至2020年8月31日已結清)及應付廣州高標的款項(已於建築工程完工起18個月內結清)外，所有其他應收／應付關聯方款項餘額為無抵押、免息及須按要求償還。

35 報告期後發生的事件

於2020年9月18日，本集團取得就在江門建設一個新校區向江門公共資源中心新會分中心購買的使用權資產的法定所有權(如附註19所披露)。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

36 本公司資產負債表及儲備變動

		As at August 31,	
		於8月31日	
		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Investment in a subsidiary	投資附屬公司	—	—
Current assets	流動資產		
Prepayments	預付款項	—	6,480
Amounts due from subsidiaries	應收附屬公司款項	321,811	—
Cash and cash equivalents	現金及現金等價物	461,258	14
		783,069	6,494
Total assets	總資產	783,069	6,494
EQUITY	權益		
Equity attributable to owner of the Company	本公司普通股股東應佔權益		
Share capital and share premium	股本及股份溢價	789,576	327
Accumulated losses	累計虧損	(61,633)	(40,640)
Total equity	總權益	727,943	(40,313)
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	515	1,739
Amounts due to subsidiaries	應付附屬公司款項	54,611	45,068
		55,126	46,807
Total liabilities	總負債	55,126	46,807
Total equity and liabilities	權益及負債總額	783,069	6,494

The balance sheet of the Company was approved by the Board of Directors on November 6, 2020 and was signed on its behalf.

本公司資產負債表已由董事會於2020年11月6日批准並代表董事會簽署。

Zhang Zhifeng

張智峰

Director

董事

Ye Yaming

葉雅明

Director

董事

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

36 本公司資產負債表及儲備變動(續)

		Accumulated losses 累計虧損 RMB'000 人民幣千元
As at September 1, 2018	於2018年9月1日	(24,215)
Loss for the year	年度虧損	(16,425)
As at August 31, 2019	於2019年8月31日	(40,640)
As at September 1, 2019	於2019年9月1日	(40,640)
Loss for the year	年度虧損	(20,993)
As at August 31, 2020	於2020年8月31日	(61,633)

37 BENEFITS AND INTERESTS OF DIRECTORS

37 董事福利及權益

(a) Directors' and chief executive's emoluments

(a) 董事及主要行政人員的薪酬

The remuneration of each director borne by the Group for the year ended August 31, 2020 is set out below:

截至2020年8月31日止年度本集團承擔的各董事薪酬載列如下：

Name	姓名	Employer's contribution to a retirement benefit scheme				Allowances and other benefits	Total
		Fee	Basic salaries	benefit scheme	benefits		
		袍金	基本薪金	僱主對退休福利計劃的供款	津貼及其他福利	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive Directors	執行董事						
Mr. Zhang Zhifeng (i)	張智峰先生(i)	—	1,866	10	119	1,995	
Mr. Ye Yaming (ii)	葉雅明先生(ii)	—	843	—	34	877	
Mr. Dong Xiaolin (ii)	董小麟先生(ii)	—	822	—	3	825	
Non-Executive Directors	非執行董事						
Mr. Zhang Yude (iii)	張裕德先生(iii)	—	590	—	—	590	
Independent Non-executive Directors	獨立非執行董事						
Mr. Chow Kwong Fai (iv)	周光輝先生(iv)	240	—	—	—	240	
Mr. Yang Ying (v)	楊英先生(v)	200	—	—	—	200	
Mr. Ding Yi (v)	丁義先生(v)	200	—	—	—	200	
Ms. Chiu Lai Kuen (iv)	趙麗娟女士(iv)	33	—	—	—	33	
		673	4,121	10	156	4,960	

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

37 BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(a) Directors' and chief executive's emoluments (Cont'd)

The remuneration of each director borne by the Group for the year ended August 31, 2019 is set out below:

Name	姓名	Fee	Basic salaries	Employer's contribution to a retirement benefit scheme	Allowances and other benefits	Total
		袍金	基本薪金	僱主對退休福利計劃的供款	津貼及其他福利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors	執行董事					
Mr. Zhang Zhifeng (i)	張智峰先生(i)	—	2,313	14	145	2,472
Mr. Ye Yaming (ii)	葉雅明先生(ii)	—	1,864	14	30	1,908
Mr. Dong Xiaolin (ii)	董小麟先生(ii)	—	819	—	4	823
Non-Executive Directors	非執行董事					
Mr. Zhang Yude (iii)	張裕德先生(iii)	—	561	—	—	561
		—	5,557	28	179	5,764

- (i) Mr. Zhang Zhifeng was appointed as an executive director of the Company on May 24, 2016.
- (ii) Mr. Ye Yaming and Mr. Dong Xiaolin were appointed as executive directors of the Company on December 18, 2017.
- (iii) Mr. Zhang Yude was appointed as a non-executive director of the Company on December 18, 2017. Mr. Zhang Yude received emoluments totaling nil and RMB560,000 during the years ended August 31, 2020 and 2019, respectively, from certain related parties of the Group as Mr. Zhang Yude was also management of those related parties during the year ended August 31, 2019. No emoluments of Mr. Zhang Yude were recharged or apportioned to the Group as the Directors considered it was impractical to do so.
- (iv) Mr. Chow Kwong Fai (Mr. Chow) was appointed as the Company's independent non-executive directors on August 16, 2019. Mr. Chow, also as the chairman of the audit committee of the Company, passed away on June 1, 2020. After that, the Company appointed Ms. Chiu Lai Kuen as an independent non-executive directors and the chairman of the audit committee on July 17, 2020.
- (v) Mr. Yang Ying and Mr. Ding Yi were appointed as the Company's independent non-executive directors on August 16, 2019.
- (i) 張智峰先生於2016年5月24日獲委任為本公司執行董事。
- (ii) 葉雅明先生及董小麟先生於2017年12月18日獲委任為本公司執行董事。
- (iii) 張裕德先生於2017年12月18日獲委任為本公司非執行董事。張裕德先生於截至2020年及2019年8月31日止年度內從本集團若干關聯方獲得合共分別為零及人民幣560,000元的薪酬，原因是張裕德先生於截至2019年8月31日止年度內亦擔任該等關聯方的管理層。張裕德先生的薪酬並無向本集團重新收取或分攤，原因是董事認為此舉不切實際。
- (iv) 周光暉先生(周先生)於2019年8月16日獲委任為本公司獨立非執行董事。周先生亦為本公司審核委員會主席，於2020年6月1日離世。此後，本公司於2020年7月17日委任趙麗娟女士為獨立非執行董事及審核委員會主席。
- (v) 楊英先生及丁義先生於2019年8月16日獲委任為本公司獨立非執行董事。

Notes to the Consolidated Financial Statements

合併財務報表附註

For the Year Ended August 31, 2020

(All amounts expressed in RMB unless otherwise stated)

截至2020年8月31日止年度

(除另有指明外，所有金額以人民幣表示)

37 BENEFITS AND INTERESTS OF DIRECTORS (Cont'd)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertakings during the years ended August 31, 2020 and 2019.

(c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the years ended August 31, 2020 and 2019.

(d) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the years ended August 31, 2020 and 2019.

(E) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

Other than those disclosed in Note 34(c), there are no loans, quasi-loans and other dealings in favor of directors, controlled body corporate by and connected entities with such directors during the years ended August 31, 2020 and 2019.

(f) Directors' material interests in transactions, arrangements or contracts

Other than those as disclosed in Note 34(c), there are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest directly or indirectly, subsisted at the end of the year or at any time during the years ended August 31, 2020 and 2019.

37 董事福利及權益(續)

(b) 董事退休福利

截至2020年及2019年8月31日止年度內，概無董事就提供管理本公司或附屬公司事務的其他服務而收取或應收任何退休福利。

(c) 董事離職福利

截至2020年及2019年8月31日止年度內，概無因提前離職而向董事支付補償。

(d) 就提供董事服務而支付予第三方的代價

截至2020年及2019年8月31日止年度內，概無就本公司董事提供董事服務向董事前僱主支付任何費用。

(e) 以董事、董事所控制法人團體及關連實體為受益人的貸款、準貸款及其他交易的相關資料

除附註34(c)所披露者外，截至2020年及2019年8月31日止年度內，概無以董事、董事所控制法人團體及關連實體為受益人的貸款、準貸款及其他交易。

(f) 董事所持交易、安排或合約的重大權益

除附註34(c)所披露者外，於截至2020年及2019年8月31日止年度末或年內任何時間，本公司概無訂立任何與本公司業務有關而本公司董事直接或間接持有重大權益的重大交易、安排及合約。

Four-Year Financial Summary 四年財務概要

A summary of the audited results and of the assets and liabilities of the Group for the last four financial years is set out below:

過去四個財政年度本集團的經審計業績與資產及負債概要如下：

		As at August 31, 2020 於2020年8月31日			
		2017	2018	2019	2020
		2017年	2018年	2019年	2020年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	578,168	608,008	674,800	761,481
Cost of revenue	收入成本	(258,798)	(273,633)	(307,014)	(308,902)
Gross profit	毛利	319,370	334,375	367,786	452,579
Profit before tax	稅前利潤	194,688	200,112	227,013	310,934
Profit for the year	年內利潤	193,092	193,327	223,063	306,669

		As at August 31, 2020 於2020年8月31日			
		2017	2018	2019	2020
		2017年	2018年	2019年	2020年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	2,636,057	2,981,065	3,847,275	4,152,464
Current assets	流動資產	737,526	641,680	479,555	905,742
Current liabilities	流動負債	1,165,206	893,201	1,435,690	715,055
Net current assets/(liabilities)	流動資產／（負債）淨額	(427,680)	(251,521)	(956,135)	190,687
Total asset less current liabilities	總資產減流動負債	2,208,377	2,729,544	2,891,140	4,343,151
Non-current liabilities	非流動負債	1,343,867	1,371,707	1,310,240	1,666,333
Net assets	資產淨值	864,510	1,357,837	1,580,900	2,676,818
Total equity	總權益	864,510	1,357,837	1,580,900	2,676,818

Definitions

釋義

“academic year” 「學年」	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 我們所有學校的學年，一般由每個曆年9月1日開始，到下一個曆年8月31日結束
“AGM” 「股東週年大會」	annual general meeting of the Company to be held on January 20, 2021 將於2021年1月20日舉行的本公司股東週年大會
“Articles of Association” 「組織章程細則」	the articles of association of the Company, as amended from time to time 本公司組織章程細則(經不時修訂)
“Audit Committee” 「審核委員會」	the audit committee of the Board 董事會審核委員會
“Board” 「董事會」	the board of directors of the Company 本公司董事會
“Business Cooperation Agreement” 「業務合作協議」	the Business Cooperation Agreement entered into by and among XZ Huali, Huali Investment, our PRC Operating Entities and the Registered Shareholder dated March 23, 2017 (supplemented on November 27, 2017 and August 30, 2018) 西藏華立、華立投資、中國營運實體及登記股東於2017年3月23日訂立(於2017年11月27日及2018年8月30日補充)的業務合作協議
“BVI” 「英屬維爾京群島」	the British Virgin Islands 英屬維爾京群島
“CG Code” 「企業管治守則」	the Corporate Governance Code contained in Appendix 14 to the Listing Rules 上市規則附錄14所載企業管治守則
“China” or “PRC” 「中國」	the People’s Republic of China and for the purposes of this report only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macau Special Administrative Region and Taiwan 中華人民共和國，僅就本報告而言，除文義另有所指外，提及中國時不包括香港、澳門特別行政區及台灣
“Company” 「本公司」	Huali University Group Limited (华立大学集团有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 1756) 华立大学集团有限公司，於開曼群島註冊成立之有限公司，其股份於主板上市(股份代號：1756)
“consolidated affiliated entities” 「綜合入賬關連實體」	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” 本公司通過結構性合約控制的實體(詳見招股章程中「結構性合約」一節)，包括華立投資、華立學院、華立職業學院及華立技師學院，各為一家「綜合入賬關連實體」

<p>“Controlling Shareholder(s)” 「控股股東」</p>	<p>has the meaning as defined in the Listing Rules and, unless the context otherwise requires, refers to Mr. Zhang, Trust Co and Huali Education 具有上市規則賦予該詞的涵義，除文義另有所指外，指張先生、Trust Co及華立教育</p>
<p>“COVID-19” 「新冠肺炎」</p>	<p>Coronavirus Disease 2019 2019冠狀病毒病，或稱新型冠狀病毒肺炎</p>
<p>“Director(s)” 「董事」</p>	<p>the director(s) of the Company 本公司董事</p>
<p>“Equity Pledge Agreement” 「股權質押協議」</p>	<p>The Equity Pledge Agreement entered into by and among the Registered Shareholder, XZ Huali and Huali Investment dated August 30, 2018 登記股東、西藏華立及華立投資於2018年8月30日訂立的股權質押協議</p>
<p>“Exclusive Call Option Agreement” 「獨家購買權協議」</p>	<p>the Exclusive Call Option Agreement entered into by and among the Registered Shareholder, Huali Investment, the PRC Operating Entities and XZ Huali dated March 23, 2017 and August 30, 2018 登記股東、華立投資、中國營運實體及西藏華立於2017年3月23日及2018年8月30日訂立的獨家購買權協議</p>
<p>“Exclusive Technical Service and Management Consultancy Agreement” 「獨家技術服務及管理諮詢協議」</p>	<p>the Exclusive Technical Service and Management Consultancy Agreement entered into by and among XZ Huali, Huali Investment and the PRC Operating Entities dated March 23, 2017 (supplemented on August 30, 2018) 西藏華立、華立投資及中國營運實體於2017年3月23日訂立(於2018年8月30日補充)的獨家技術服務及管理諮詢協議</p>
<p>“Group”, “we”, “us”, or “our” 「本集團」、「我們」或「我們的」</p>	<p>the Company, its subsidiaries and its consolidated affiliated entities 本公司、其附屬公司及綜合入賬關連實體</p>
<p>“Hong Kong” 「香港」</p>	<p>the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區</p>
<p>“Hong Kong dollars” or “HK\$” 「港元」</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣</p>
<p>“Huali College” 「華立學院」</p>	<p>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, and a consolidated affiliated entity of the Company 廣東工業大學華立學院，於2006年1月1日根據中國法律成立的民辦獨立學院，為本公司的綜合入賬關連實體</p>
<p>“Huali Education” 「華立教育」</p>	<p>Huali Education Holdings Limited, a limited liability company incorporated in BVI and wholly owned by Trust Co 華立教育控股有限公司，於英屬維爾京群島註冊成立的有限公司，由Trust Co全資擁有</p>
<p>“Huali (HK) Education” 「香港華立教育」</p>	<p>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 香港華立教育投資有限公司，於2016年5月18日在香港註冊成立的有限責任公司，為本公司的間接全資附屬公司</p>

Definitions

釋義

“Huali Investment” 「華立投資」	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 廣州華立投資有限公司，各中國營運實體的學校舉辦人，於1999年6月15日在中國成立的有限公司，為本公司的綜合入賬實體
“Huali Property” 「華立地產」	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 廣東華立地產集團有限公司，於2008年7月1日根據中國法律成立的有限公司，由張先生持有99%，一名獨立第三方持有1%，並非本集團成員公司
“Huali Shengrong” 「華立盛榮」	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 廣州華立盛榮教育科技有限公司，於2016年12月27日根據中國法律成立的有限責任外商獨資企業，由香港華立教育全資擁有
“Huali Technician College” 「華立技師學院」	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 廣東省華立技師學院，於2003年8月20日根據中國法律成立的民辦高等職業學校，由華立投資全資擁有學校舉辦人權益，為本公司的綜合入賬關連實體
“Huali Vocational College” 「華立職業學院」	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 廣州華立科技職業學院，於2005年7月19日根據中國法律成立的學歷高等教育機構，由華立投資全資擁有學校舉辦人權益，為本公司的綜合入賬關連實體
“Hualiyuan Technology” 「華立園科技」	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 held as to 99% by Mr. Zhang and as to 1% by Huali Property, and which is not a member of the Group 廣東華立園科技有限公司，於2004年1月6日根據中國法律成立的有限公司，由張先生持有99%，華立地產持有1%，並非本集團成員公司
“Listing” 「上市」	the listing of the Shares on the Main Board on the Listing Date 股份於上市日期在主板上市
“Listing Date” 「上市日期」	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 2019年11月25日，為股份上市及股份首次獲准於主板買賣之日

<p>“Listing Rules” 「上市規則」</p>	<p>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 香港聯合交易所有限公司證券上市規則，經不時修訂、補充或以其他方式修改</p>
<p>“Main Board” 「主板」</p>	<p>the Main Board of the Stock Exchange 聯交所主板</p>
<p>“Model Code” 「標準守則」</p>	<p>the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules 上市規則附錄10所載上市發行人董事進行證券交易的標準守則</p>
<p>“MOE” 「教育部」</p>	<p>the Ministry of Education of the PRC (中華人民共和國教育部) 中華人民共和國教育部</p>
<p>“MOJ” 「司法部」</p>	<p>Ministry of Justice of the PRC (中華人民共和國司法部) 中華人民共和國司法部</p>
<p>“MOJ Draft for Comments” 「司法部徵求意見稿」</p>	<p>the Draft Revision of the Implementation Rules for the Law for Promoting Private Education of the PRC (the Draft for Examination and Approval) 《中華人民共和國民辦教育促進法實施條例(修訂草案)(送審稿)》 issued by the MOJ on August 10, 2018 to seek public comments 司法部於2018年8月10日發佈的《中華人民共和國民辦教育促進法實施條例(修訂草案)(送審稿)》，以徵求公眾意見</p>
<p>“Mr. Zhang” 「張先生」</p>	<p>Mr. Zhang Zhifeng, chairman of the Board, executive Director and one of our controlling shareholders 張智峰先生，為董事長、執行董事兼我們的控股股東之一</p>
<p>“mu” 「畝」</p>	<p>the Chinese urban land area unit, whereby a mu equals to approximately 666.67 square meters 中國城鎮土地面積單位，一畝等於約666.67平方米</p>
<p>“Nomination Committee” 「提名委員會」</p>	<p>the nomination committee of the Board 董事會提名委員會</p>
<p>“PRC Operating Entities” 「中國營運實體」</p>	<p>the Company’s consolidated affiliated entities, namely, Huali College, Huali Vocational College and Huali Technician College 本公司的綜合入賬關連實體，即華立學院、華立職業學院及華立技師學院</p>
<p>“Prospectus” 「招股章程」</p>	<p>the prospectus of the Company dated November 14, 2019 本公司日期為2019年11月14日的招股章程</p>
<p>“Registered Shareholder” 「登記股東」</p>	<p>Mr. Zhang, the sole shareholder of Huali Investment 華立投資的唯一股東張先生</p>

Definitions

釋義

“Registered Shareholder’s Right Entrustment Agreement and Registered Shareholder’s Power of Attorney” 「登記股東權利委託協議及登記股東授權書」	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 XZ Huali in favor of XZ Huali dated September 19, 2017 (supplemented on August 30, 2018) 華立投資、登記股東及西藏華立於2017年9月19日以西藏華立為受益人訂立(於2018年8月30日補充)的登記股東權利委託協議及登記股東授權書
“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Board 董事會薪酬委員會
“Reporting Period” 「報告期」	the period from September 1, 2019 to August 31, 2020 由2019年9月1日起至2020年8月31日止期間
“RMB” or “Renminbi” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣·中國法定貨幣
“School Directors” 「學校董事」	the directors nominated by Huali Investment to each of our PRC Operating Entities 華立投資所提名各中國營運實體的董事
“School Directors’ Power of Attorney” 「學校董事授權書」	the School Directors’ Power of Attorney executed by each of the School Directors in favor of XZ Huali dated March 23, 2017 (supplemented on August 30, 2018, September 28, 2018, April 23, 2019, July 22, 2019 and October 10, 2019) 各學校董事於2017年3月23日以西藏華立為受益人簽立(於2018年8月30日、2018年9月28日、2019年4月23日、2019年7月22日及2019年10月10日補充)的學校董事授權書
“School Sponsor(s)” 「學校舉辦人」	the individual(s) or entity(ies) that funds or holds interests in an educational institution 投資教育機構或擁有相關權益的個人或實體
“School Sponsor’s and Directors’ Rights Entrustment Agreement” 「學校舉辦者及董事權利委託協議」	the School Sponsor’s and Directors’ Rights Entrustment Agreement entered into by and among Huali Investment, the School Directors and XZ Huali dated March 23, 2017 (supplemented on August 30, 2018, September 28, 2018, April 23, 2019, July 22, 2019 and October 10, 2019) 華立投資、學校董事及西藏華立於2017年3月23日訂立(於2018年8月30日、2018年9月28日、2019年4月23日、2019年7月22日及2019年10月10日補充)的學校舉辦者及董事權利委託協議
“School Sponsor’s Power of Attorney” 「學校舉辦人授權書」	the School Sponsor’s Power of Attorney executed by Huali Investment in favor of XZ Huali dated March 23, 2017 華立投資於2017年3月23日以西藏華立為受益人簽立的學校舉辦人授權書
“SFO” 「證券及期貨條例」	the securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 證券及期貨條例(香港法例第571章)·經不時修訂、補充或以其他方式修改
“Shareholder(s)” 「股東」	holder(s) of the Share(s) 股份持有人

<p>“Shares” 「股份」</p>	<p>ordinary shares in the Company of par value US\$0.0001 each 本公司每股面值0.0001美元的普通股</p>
<p>“South China” 「華南」</p>	<p>Guangdong Province, Guangxi Province and Hainan Province of the PRC 中國廣東省、廣西省及海南省</p>
<p>“Spouse Undertaking” 「配偶承諾」</p>	<p>the Spouse Undertaking executed by the spouse of the Registered Shareholder dated March 23, 2017 (supplemented on August 30, 2018) 登記股東的配偶於2017年3月23日作出(於2018年8月30日補充)的配偶承諾</p>
<p>“Stock Exchange” 「聯交所」</p>	<p>The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司</p>
<p>“Structured Contracts” 「結構性合約」</p>	<p>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 業務合作協議、獨家技術服務及管理諮詢協議、獨家購買權協議、股權質押協議、學校舉辦者及董事權利委託協議、學校舉辦人授權書、學校董事授權書、配偶承諾、登記股東權利委託協議及登記股東授權書的統稱</p>
<p>“subsidiary(ies)” 「附屬公司」</p>	<p>has the meaning ascribed thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 具有公司條例(香港法例第622章)第15條賦予該詞的涵義</p>
<p>“Trust Co” 「Trust Co」</p>	<p>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 Huali-Diamond Limited, 於英屬維爾京群島註冊成立的控股公司, 由UBS Trustee (B.V.I.) Limited (HL-Diamond Trust的受託人)間接控制以持有華立教育的全部已發行股本</p>
<p>“US\$” 「美元」</p>	<p>United States dollars, the lawful currency of the United States 美元, 美國法定貨幣</p>
<p>“XZ Huali” 「西藏華立」</p>	<p>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 西藏華立盛大信息科技有限公司, 於2017年1月18日根據中國法律成立的公司, 為華立盛榮的全資附屬公司</p>

Definitions

釋義

“Yunfu Bilingual School”	Huali Bilingual School of Yunfu (Yun’an District) (雲浮市雲安區華立中英文學校), a private school established under the laws of the PRC on August 18, 2016, of which the School Sponsor’s interest is wholly owned by Hualiyuan Technology
「雲浮中英文學校」	雲浮市雲安區華立中英文學校，於2016年8月18日根據中國法律成立的民辦學校，由華立園科技全資擁有學校舉辦人權益
“%”	per cent
「%」	百分比

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

本報告所述中國實體(包括學校)、中國法律或法規及中國政府機關的英文名稱僅為其中文名稱的翻譯，以資識別。如有任何歧異，應以中文名稱為準。



华立大学集团有限公司
Huali University Group Limited