

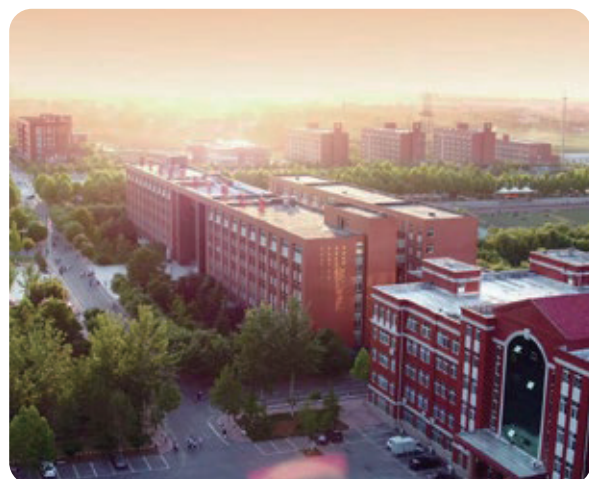


# 中国宇华教育集团有限公司

China YuHua Education Corporation Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6169



Interim Report

# 2025



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Li Guangyu (*Chairman*)  
Ms. Li Hua (*Vice Chairman*)  
Ms. Qiu Hongjun

### Independent Non-Executive Directors

Mr. Chen Lei  
Mr. Zhang Zhixue  
Ms. Fan Nannan

## AUDIT COMMITTEE

Mr. Chen Lei (*Chairman*)  
Mr. Zhang Zhixue  
Ms. Fan Nannan

## REMUNERATION COMMITTEE

Mr. Zhang Zhixue (*Chairman*)  
Ms. Li Hua  
Ms. Fan Nannan

## NOMINATION COMMITTEE

Mr. Li Guangyu (*Chairman*)  
Mr. Zhang Zhixue  
Ms. Fan Nannan

## JOINT COMPANY SECRETARIES

Mr. Xu Bin  
Ms. Ng Ka Man

## AUTHORISED REPRESENTATIVES

Ms. Li Hua  
Mr. Xu Bin

## AUDITOR

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

## LEGAL ADVISERS

*As to Hong Kong and U.S. laws:*  
Skadden, Arps, Slate, Meagher & Flom  
42/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*As to PRC law:*  
Tian Yuan Law Firm  
10/F, China Pacific Insurance Plaza  
28 Fengsheng Lane, Xicheng District  
Beijing 100032  
PRC

*As to Cayman Islands law:*  
Maples and Calder (Hong Kong) LLP  
53rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

## REGISTERED OFFICE

The offices of Maples Corporate Services Limited  
PO Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square  
1 Matheson Street, Causeway Bay  
Hong Kong

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 21, 4/F, Block 10  
3 Mazhuang Street  
Zhengdong New District  
Zhengzhou, PRC

## **CORPORATE INFORMATION (Continued)**

### **PRINCIPAL 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

### **PRINCIPAL BANKER**

China Construction Bank Corporation  
Jinshui Road Branch of Zhengzhou  
No. 29, Jinshui Road  
Zhengzhou, Henan Province  
PRC

### **COMPANY WEBSITE**

[www.yuhuachina.com](http://www.yuhuachina.com)

### **STOCK CODE**

6169

# HIGHLIGHTS

RMB'000	Six months ended		Change
	28 February 2025 (Unaudited)	29 February 2024 (Unaudited)	
Revenue	1,278,104	1,191,796	+7.2%
Gross Profit	597,927	397,225	+50.5%
Adjusted Gross Profit <sup>1</sup>	617,397	416,252	+48.3%
Adjusted Net Profit attributable to owners of the Company <sup>2</sup>	434,529	208,161	+108.7%

Notes:

- (1) The Adjusted Gross Profit for the six months ended 28 February 2025 is calculated as gross profit from continuing operations for the period, excluding (i) share-based expense (in cost of revenue) and (ii) additional depreciation and amortisation due to the provisional fair value adjustments to the acquired identifiable assets of LEI Lie Ying Limited and its subsidiaries (including Hunan Lie Ying Industry Co., Ltd. (湖南獵鷹實業有限公司) ("**Hunan Lie Ying**"), which in turn owns the entire sponsorship interests in Hunan International Economics University (湖南涉外經濟學院), Hunan Lie Ying Mechanic School (湖南獵鷹技工學校) and Hunan International Economics University Vocational Skills Training Centre (湖南涉外經濟學院職業技能培訓中心), collectively "**HIEU Schools**"), Kaifeng City Yubohui Education Information Consulting Co., Ltd. ("**Yubohui Education**") and its subsidiaries (including Kaifeng City Xiangfu District Bowang High School ("**Bowang High School**")), and Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).
- (2) The Adjusted Net Profit attributable to owners of the Company for the six months ended 28 February 2025 and the six months ended 29 February 2024 is calculated as the net profit attributable to the owners of the Company, excluding (i) share-based compensation expense; (ii) additional depreciation and amortization arising from the provisional fair value adjustments to the acquired identifiable assets mentioned above in (1); (iii) government grants recognised during the period; (iv) gains and losses related to convertible bond recognised during the period; and (v) net profit from discontinued operations, Thai Education Holdings Co., Ltd. ("**TEDCO**") and its subsidiaries (including Stamford International University).

## NON-IFRS MEASURES

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Company also uses Adjusted Gross Profit, Adjusted Operating Profit, Adjusted Net Profit and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance.

The Company believes that these measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Group's management. However, the Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Company's results of operations or financial condition as reported under IFRS.

## HIGHLIGHTS (Continued)

### Calculation of the Adjusted Gross Profit

	Six months ended	
	28 February 2025 (RMB'000)	29 February 2024 (RMB'000)
<b>Gross Profit from continuing operations</b>	<b>597,927</b>	397,225
Share-based compensation expenses in Cost of revenue	<b>2,924</b>	2,739
Additional depreciation and amortization due to the fair value adjustments to the acquired identifiable assets		
— HIEU Schools	<b>4,794</b>	5,019
— Bowang High School	<b>771</b>	771
— Shandong Yingcai University	<b>10,981</b>	10,498
<b>Adjusted Gross Profit</b>	<b>617,397</b>	416,252

### Calculation of the Adjusted Net Profit attributable to the owners of the Company

	Six months ended	
	28 February 2025 (RMB'000)	29 February 2024 (RMB'000)
<b>Net profit attributable to the owners of the Company</b>	<b>405,788</b>	193,255
Net profit from discontinued operations	<b>(16,848)</b>	(19,279)
Share-based compensation expenses in Cost of revenue	<b>2,924</b>	2,739
Share-based compensation expense in Administrative expenses	<b>4,867</b>	4,631
Additional depreciation and amortization due to the fair value adjustments to the acquired identifiable assets		
— HIEU Schools	<b>4,841</b>	5,068
— Bowang High School	<b>595</b>	595
— Shandong Yingcai University	<b>10,981</b>	10,498
Gains and losses related to convertible bonds <sup>1</sup>		
— Change in fair value on convertible bonds	<b>24,190</b>	15,208
— Net gains on repurchase of convertible bonds	<b>(16,928)</b>	—
— Losses arising from revising the terms of convertible bonds	<b>18,075</b>	—
Government grants	<b>(3,956)</b>	(4,554)
<b>Adjusted Net Profit attributable to the owners of the Company</b>	<b>434,529</b>	208,161

Note:

1. Details are set out in Note 8: Other losses — net.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

With over 20 years of operating private schools in the PRC, the Group is one of the leading private school operators in China in terms of student enrolment.

The Group's fundamental educational objectives are to foster modern talent with leadership and lifelong learning capabilities and nurture great minds to contribute to the future development of the Chinese nation (“培養具有領導才能和自主學習能力的現代化人才，為中華民族的偉大復興貢獻力量”). As an educational service provider, the Group believes it is entrusted to nurture the future of society, and aims to provide educational services in a manner consistent with the values and attitudes of the Group. The curriculums for the Group's schools not only accommodate the students' eagerness to achieve academic excellence, but also emphasise on well-rounded development of the students.

The Group intends to continue to expand its school network and ensure delivery of high-quality education to its students by making continuous improvements to the educational infrastructure available. As such, there has been no material changes in respect of the business of the Group since 28 February 2025.

### The Group's Schools and Student Enrolment

As at 28 February 2025, the Group had 9 schools in China and 1 school in Thailand.

The following table sets out a summary of the Group's schools by category as at the end of February 2025 and 2024:

	As at 28 February 2025	As at 29 February 2024
<b>The Group's schools in the PRC</b>		
Universities and vocational college	4	4
High schools	5	5
<b>The Group's school overseas</b>		
University	1 (Note 1)	1
<b>Total</b>	<b>10</b>	<b>10</b>

Note:

1. This represents Stamford International University, Thailand. As at 28 February 2025, the disposal of TEDCO and its subsidiaries (including Stamford International University) remained in progress. The financial results of these companies for the Reporting Period have been represented as discontinued operations in the Group's interim condensed financial information.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this report, there has been no other significant events that might affect the Group after 28 February 2025 and up to the date of this report.

### Future Development

The Group's future development focuses on making continuous improvements to the educational infrastructure, opening new campuses, and substantially increasing investment in vocational education. The Group will continue to seek expansion in higher education sector with high growth potential and will focus on post-expansion consolidation to maximize shareholder value.



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### FINANCIAL REVIEW

#### 1. Overview

For the six months ended 28 February 2025, the Group recorded revenue of RMB1,278.1 million, an Adjusted Gross Profit of RMB617.4 million and a gross profit of RMB597.9 million. The Adjusted Gross Profit Margin<sup>1</sup> of the Group was 48.3% for the six months ended 28 February 2025 as compared with 34.9% for the corresponding period in 2024. The gross profit margin was 46.8% for the six months ended 28 February 2025 as compared with 33.3% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company for the six months ended 28 February 2025 was RMB434.5 million, representing an increase of RMB226.4 million or a 108.7% increase from the corresponding period in 2024. The Adjusted Net Profit Margin<sup>2</sup> attributable to owners of the Company was 34.0% and 17.5% for the six months ended 28 February 2025 and 29 February 2024, respectively.

The net profit attributable to owners of the Company amounted to RMB405.8 million and RMB193.3 million for the six months ended 28 February 2025 and 29 February 2024, respectively. The net profit margin attributable to owners of the Company amounted to 31.7% and 16.2% for the six months ended 28 February 2025 and 29 February 2024, respectively.

#### 2. Revenue

For the six months ended 28 February 2025, the revenue of the Group amounted to RMB1,278.1 million, representing an increase of RMB86.3 million or 7.2% as compared with RMB1,191.8 million for the corresponding period in 2024. The increase was primarily due to the increase in student enrolment from several schools.

#### 3. Cost of Revenue

For the six months ended 28 February 2025, the Adjusted Cost of Revenue<sup>3</sup> of the Group amounted to RMB660.7 million, representing a decrease of RMB114.8 million or 14.8% as compared with RMB775.5 million for the corresponding period in 2024. The cost of revenue of the Group amounted to RMB680.2 million and RMB794.6 million for the six months ended 28 February 2025 and 29 February 2024, respectively.

<sup>1</sup> The Adjusted Gross Profit Margin is calculated based on the Adjusted Gross Profit.

<sup>2</sup> The Adjusted Net Profit Margin attributable to owners of the Company is calculated based on the Adjusted Net Profit attributable to owners of the Company.

<sup>3</sup> The Adjusted Cost of Revenue is calculated as cost of revenue for the period, excluding the non-cash expenses of share-based compensations and additional depreciation and amortisation due to the provisional fair value adjustments to the acquired identifiable assets of (i) LEI Lie Ying Limited; (ii) Yubohui Education and its subsidiaries; and (iii) Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 4. Gross Profit and Gross Profit Margin

For the six months ended 28 February 2025, the Adjusted Gross Profit of the Group amounted to RMB617.4 million, representing an increase of RMB201.1 million or 48.3% as compared with RMB416.3 million for the corresponding period in 2024. The Adjusted Gross Profit Margin of the Group for the six months ended 28 February 2025 was 48.3%, compared with 34.9% for the corresponding period in 2024.

The Group's gross profit amounted to RMB597.9 million and RMB397.2 million for the six months ended 28 February 2025 and 29 February 2024, respectively. The Group's gross profit margin amounted to 46.8% and 33.3% for the six months ended 28 February 2025 and 29 February 2024, respectively. The improvement in gross profit margin was primarily attributable to revenue growth and a reduction in costs and expenses due to strengthened cost management during the Reporting Period.

### 5. Selling Expenses

For the six months ended 28 February 2025, the selling expenses of the Group amounted to RMB16.8 million, representing a decrease of RMB1.8 million or 9.6% from RMB18.6 million during the corresponding period in 2024. The decrease was primarily due to reduced marketing and promotional spending.

### 6. Administrative Expenses

The administrative expenses of the Group amounted to RMB158.5 million and RMB152.5 million for the six months ended 28 February 2025 and 29 February 2024, respectively. The increase is primarily due to normal business growth and inflation. The Adjusted Administrative Expenses<sup>4</sup> of the Group for the six months ended 28 February 2025 amounted to RMB153.7 million, representing an increase of RMB5.8 million as compared with RMB147.9 million for the corresponding period in 2024.

### 7. Other Income

For the six months ended 28 February 2025, the other income of the Group amounted to RMB7.3 million, representing a decrease of RMB1.4 million or 15.9% as compared with RMB8.6 million for the corresponding period in 2024. This decrease was primarily due to a reduction in government grants and subsidies received.

### 8. Other Gains and Losses

For the six months ended 28 February 2025, the other gains and losses of the Group amounted to a net loss of RMB31.5 million as compared with a net loss of RMB47.2 million for the corresponding period in 2024. The net loss was primarily attributable to the losses related to convertible bonds.

<sup>4</sup> Adjusted Administrative Expenses are calculated as administrative expense for the period, excluding share-based compensation.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 9. Operating Profit

The Operating Profit of the Group amounted to RMB397.3 million for the six months ended 28 February 2025, representing an increase of RMB212.8 million or 115.3% as compared with RMB184.5 million for the corresponding period in 2024, respectively. The Operating Profit Margin amounted to 31.1% and 15.5% for the six months ended 28 February 2025 and 29 February 2024, respectively.

### 10. Finance Income

Finance income decreased by 14.5% from RMB14.0 million for the six months ended 29 February 2024 to RMB11.9 million for the corresponding period in 2025 due to a decline in exchange gains.

### 11. Finance Expenses

Finance expenses decreased by 16.9% from RMB27.0 million for the six months ended 29 February 2024 to RMB22.5 million for the corresponding period in 2025 due to a decrease in interest expenses.

### 12. Profit for the Period from Discontinued Operations

As at 28 February 2025, since the disposal of TEDCO and its subsidiaries (including Stamford International University, Thailand) was in progress, the net profit from these companies for the six months ended 28 February 2025 and 29 February 2024, amounting to RMB16.8 million and RMB19.3 million respectively, has been presented separately as profit for the period from discontinued operations.

### 13. Profit for the Reporting Period

As a result of the above factors, the Group recorded a net profit attributable to owners of the Company of RMB405.8 million for the six months ended 28 February 2025, representing an increase of RMB212.5 million or 110.0% as compared with RMB193.3 million for the corresponding period in 2024. The net profit margin attributable to owners of the Company for the six months ended 28 February 2025 was 31.7%, compared to 16.2% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company was RMB434.5 million for the six months ended 28 February 2025, an increase of RMB226.4 million or 108.7% as compared with RMB208.2 million for the corresponding period in 2024. In addition, the Adjusted Net Profit Margin attributable to owners of the Company amounted to 34.0% and 17.5% for the six months ended 28 February 2025 and 29 February 2024, respectively.

The increase in the Adjusted Net Profit was primarily driven by (i) revenue growth; and (ii) a reduction in costs and expenses resulting from strengthened cost management.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 14. Liquidity and Source of Funding and Borrowing

As at 28 February 2025, the Group's cash and cash equivalents decreased by 38.1% from RMB2,090.5 million as at 31 August 2024 to RMB1,294.4 million. The decrease was primarily due to repayments of borrowings and the redemption and repurchase of convertible bonds during the period.

As at 28 February 2025, the current assets of the Group amounted to RMB1,905.7 million, including RMB1,294.4 million in cash and restricted cash, RMB229.4 million in trade and other receivables and RMB381.9 million in assets classified as held for sale. The current liabilities of the Group amounted to RMB3,044.2 million, of which RMB1,062.2 million was accruals and other payables, RMB230.0 million was borrowings, RMB1,272.0 million was contract liabilities, RMB179.0 million was deferred income, RMB272.6 million was liabilities directly associated with assets classified as held for sale, RMB22.1 million was financial liabilities at fair value through profit or loss, and RMB6.3 million was lease liabilities. As at 28 February 2025, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 0.63 (31 August 2024: 0.53).

### 15. Gearing Ratio

As at 28 February 2025, the gearing ratio of the Group, which was calculated as total interest-bearing bank loans divided by total equity, was approximately 6.2% (31 August 2024: 18.4%).

### 16. Material Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 28 February 2025) during the six months ended 28 February 2025.

### 17. Material Acquisitions and Disposals

Save for the disposal of the subsidiaries as set out in note 22 to the financial statements in this report, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended 28 February 2025.

### 18. Pledge of Assets

As at 28 February 2025, the bank borrowings of the Group amounting to RMB50.0 million were secured by a related party.

### 19. Contingent Liabilities

The Group had no contingent liabilities as at 28 February 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 20. Foreign Exchange Exposure

During the six months ended 28 February 2025, the Group mainly operated in China and the majority of the transactions were settled in RMB, the Company's primary consolidated affiliated entities' functional currency. The Group's acquisition of a university in Thailand exposes the Group to foreign exchange risk. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary. As at 28 February 2025, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

### 21. Employee and Remuneration Policy

As at 28 February 2025 and 29 February 2024, we had 7,806 and 8,125 employees, respectively. The number of employees employed by the Group varies from time to time depending on need. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policy and package of the Group's employees are periodically reviewed. As required by the PRC laws and regulations, the Company participates in various employee social security plans for its employees that are administered by local governments, including among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance.

The Group believes in the importance of attracting, recruiting and retaining of quality employees (in particular teachers) in achieving the Group's success. The Group provides training for teachers to equip them with teaching skills and techniques and stay abreast of the changes in student demands and teaching methodologies, changing testing and admission standards and other trends. During each school year, the Group monitors the teaching quality of its teachers and evaluates the performance of its teachers from time to time. During the six months ended 28 February 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

Compensation of key executives of the Group is determined by the Company's remuneration committee which reviews and recommends to the Board the executives' compensation based on the Group's performance and the executives' respective contributions to the Group.

The Company also has a Pre-IPO Share Option Scheme and a Share Award Scheme. Please refer to the section headed "Statutory and General Information — Pre-IPO Share Option Scheme and Share Award Scheme" in Appendix V to the Prospectus for further details.

The total remuneration cost incurred by the Group for the six months ended 28 February 2025 was RMB319.3 million (for the six months ended 29 February 2024: RMB357.6 million).

### 22. Future Plans for Material Investments and Capital Assets

As of 28 February 2025, the Group did not have other plans for material investments and capital assets.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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

### 1. Compliance with the Code on Corporate Governance Practices

During the six months ended 28 February 2025, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code contained in Appendix C1 to the Listing Rules.

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

### 2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended 28 February 2025. No incident of non-compliance of the Model Code was noted by the Company during the six months ended 28 February 2025.

## INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 28 February 2025 (2024: Nil).

## AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Chen Lei, Mr. Zhang Zhixue and Ms. Fan Nannan. Mr. Chen Lei is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim condensed financial information of the Group for the six months ended 28 February 2025 and has met with the independent auditors, PricewaterhouseCoopers, who have reviewed the interim condensed financial information in accordance with International Standard on Review Engagements 2410. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Group.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

### OTHER BOARD COMMITTEES

In addition to the audit committee, the Company has also established a Nomination Committee and a Remuneration Committee.

### CHANGES TO DIRECTORS' INFORMATION

The Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules)) during the six months ended 28 February 2025. The Company did not hold any treasury shares (as defined under the Listing Rules) as at 28 February 2025.

### MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the six months ended 28 February 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended 28 February 2025.

### BUILDING CERTIFICATES AND PERMITS

As at 28 February 2025, in relation to owned buildings or groups of buildings other than those associated with the HIEU Schools (the **"Non-HIEU Schools Owned Buildings"**), the Group had not obtained proper building ownership certificates or other requisite certificates or permits for 11 of the 32 Non-HIEU Schools Owned Buildings, due in part to changes to the urban planning in the cities which the Group operates, administrative oversight by the Group's management and their unfamiliarity with the relevant regulatory requirements. The Group is in the process of applying to relevant government authorities for the relevant outstanding certificates and permits and are closely following up with the government authorities with respect to the applications. Please also refer to the section headed "Business — Properties — Owned Properties — Buildings or Groups of Buildings" in the Prospectus for further details. There have been no updates in this regard since the publication of the Prospectus.

As at 28 February 2025, the Company was in the process of applying for, but had not yet obtained, the proper certificates in relation to 48 buildings currently occupied by the HIEU Schools. The Company understands that the lack of certificates in relation to these buildings will not prejudice the ability of the Company to operate the HIEU Schools and that the buildings are fit and safe for education purposes. For further details, please refer to the Company's circular dated 29 June 2018.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

### REGULATORY FRAMEWORK RELATING TO FOREIGN OWNERSHIP IN THE EDUCATION INDUSTRY IN THE PRC

Foreign investment activities in the PRC are subject to the restrictions as set out in the Administrative Measures of Foreign Investment Admission (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which is promulgated and amended from time to time jointly by the National Development and Reform Commission of the PRC and Ministry of Commerce of the PRC. The latest version of the Negative List was released on 6 September 2024 and became effective on 1 November 2024. Foreign investments in industries falling within the Negative List are subjected to special administrative measures as set forth therein.

According to the Negative List, operation of kindergartens, high schools and higher education institutions (the “**Relevant Business**”) shall be restricted to Sino-foreign cooperation, which means that foreign investors may only operate kindergartens, high schools and higher education institutions through joint ventures with PRC incorporated entities that are in compliance with the Regulation on Sino-Foreign Cooperation in Operating Schools of the People’s Republic of China (《中華人民共和國中外合作辦學條例》), promulgated by the State Council in 2003 and amended on 2 March 2019 (the “**Sino-Foreign Cooperation Regulation**”). The Negative List also 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 representative of the domestic party shall account for not less than half of the total members of the board of directors, the executive council or the joint administration committee of the Sino-foreign cooperative educational institution.

Pursuant to the Implementation Opinions, foreign-invested companies that engage in educational activities in the PRC should comply with the Negative List.

Pursuant to the Sino-Foreign Cooperation Regulation, the foreign investor in a Sino-foreign joint venture school for PRC students at a kindergarten, high school and higher education institution (a “**Sino-Foreign Joint Venture Private School**”) must be a foreign education institution with relevant qualification and high quality of education (the “**Qualification Requirement**”).

Furthermore, pursuant to the Implementation Opinions, the foreign portion of the total investment in a Sino-Foreign Joint Venture Private School should be below 50% (the “**Foreign Ownership Restriction**”) and the establishment of these schools is subject to approval of education authorities at the provincial or national level.

The Company’s PRC Legal Adviser has also advised that it is 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 education authority that it meets the Qualification Requirement.

Further details of the regulatory framework are set out in the section headed “Contractual Arrangements” in the Prospectus.



## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 28 February 2025, 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 required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

#### Interest in the Company

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company (%) <sup>(1)</sup>	Long position/ Short position/ Lending pool
Mr. Li	Beneficial owner/Founder of a discretionary trust/Other	1,937,249,000 <sup>(2)</sup>	53.71%	Long position
Ms. Li	Beneficiary of a discretionary trust/ Beneficial owner/Other	1,941,826,000 <sup>(2)</sup>	53.84%	Long position
Ms. Qiu Hongjun	Beneficial owner	3,261,000 <sup>(3)</sup>	0.09%	Long position

Notes:

- (1) The calculation is based on the total number of 3,606,787,883 Shares in issue as at 28 February 2025.
- (2) The entire share capital of GuangYu Investment is wholly-owned by Baikal Lake Investment, as the nominee of TMF (Cayman) Ltd., the trustee of Nan Hai Trust, which was established by Mr. Li (as the settlor) on 6 September 2016 as a discretionary trust for the benefit of among others, Mr. Li and Ms. Li. Each of Mr. Li (as the founder of Nan Hai Trust) and Ms. Li (as a beneficiary of Nan Hai Trust) is taken to be interested in 1,917,500,000 Shares held by GuangYu Investment.
- (3) Includes Ms. Qiu Hongjun's entitlement to receive up to 2,934,900 Shares pursuant to the exercise of options granted to her under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

### Interest in Associated Corporations

Name of Director	Name of Associated Corporation	Capacity/Nature of Interest	Amount of registered capital	% of interest in the corporation	Long Position/ Short Position/ Lending pool
Mr. Li	YuHua Investment Management	Beneficial owner	RMB40,000,000	80%	Long position
	Zhengzhou YuHua Education Investments	Beneficial owner	RMB18,000,000	36%	Long position
	Zhengzhou Zhongmei Education Investments	Beneficial owner	RMB30,000,000	60%	Long position
	Zhengzhou Qinfeng Education Technology Co., Ltd.	Beneficial owner	RMB400,000	40%	Long position
	Zhengzhou Hanchen Education Technology Co., Ltd.	Beneficial owner	RMB400,000	40%	Long position
	Changsha Jiuzhao Information Technology Co., Ltd.	Beneficial owner	RMB400,000	40%	Long position
	Henan Gaowen Education Consulting Co., Ltd	Beneficial owner	RMB400,000	40%	Long position
Ms. Li	YuHua Investment Management	Beneficial owner	RMB10,000,000	20%	Long position
	Zhengzhou YuHua Education Investments	Beneficial owner	RMB32,000,000	64%	Long position
	Zhengzhou Zhongmei Education Investments	Beneficial owner	RMB20,000,000	40%	Long position
	Zhengzhou Qinfeng Education Technology Co., Ltd.	Beneficial owner	RMB600,000	60%	Long position
	Zhengzhou Hanchen Education Technology Co., Ltd.	Beneficial owner	RMB600,000	60%	Long position
	Changsha Jiuzhao Information Technology Co., Ltd.	Beneficial owner	RMB600,000	60%	Long position
	Henan Gaowen Education Consulting Co., Ltd	Beneficial owner	RMB600,000	60%	Long position

Save as disclosed above, as at 28 February 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

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

As at 28 February 2025, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company 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	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company (%) <sup>(1)</sup>	Long Position/ Short Position/ Lending pool
Mr. Li <sup>(2)</sup>	Beneficial owner/Founder of a discretionary trust/Other	1,937,249,000	53.71%	Long position
Ms. Li <sup>(2)</sup>	Beneficiary of a discretionary trust/ Beneficial owner/Other	1,941,826,000	53.84%	Long position
Baikal Lake Investment <sup>(2)</sup>	Interest in controlled corporation/Other	1,917,500,000	53.16%	Long position
GuangYu Investment <sup>(2)</sup>	Beneficial owner/Other	1,917,500,000	53.16%	Long position
TMF (Cayman) Ltd. <sup>(3)</sup>	Trustee/Other	1,917,500,000	53.16%	Long position
Bank of America Corporation	Interest in controlled corporation	345,902,948	9.59%	Long position
		346,122,910	9.60%	Short position
Fischer Seth Hillel	Interest in controlled corporation	183,017,785	5.07%	Long position
		19,936,000	0.55%	Short position
Oasis Investments II Master Fund Ltd.	Beneficial owner	183,017,785	5.07%	Long position
		19,936,000	0.55%	Short position
Oasis Investments II Offshore Feeder Ltd.	Interest in controlled corporation	183,017,785	5.07%	Long position
		19,936,000	0.55%	Short position
Oasis Management Company Ltd.	Investment manager	183,017,785	5.07%	Long position
		19,936,000	0.55%	Short position

Notes:

- (1) The calculation is based on the total number of 3,606,787,883 Shares in issue as at 28 February 2025.
- (2) The entire share capital of GuangYu Investment Holdings Limited is held by Baikal Lake Investment, as the nominee of TMF (Cayman) Ltd., the trustee of Nan Hai Trust. Nan Hai Trust was established by Mr. Li (as the settlor) on 6 September 2016 as a discretionary trust for the benefit of, among others, Mr. Li and Ms. Li.
- (3) TMF (Cayman) Ltd. is the trustee of Nan Hai Trust.

Save as disclosed above, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as at 28 February 2025 as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

### SHARE SCHEMES

The Company has one expired share scheme with options outstanding and one existing share scheme, namely the Pre-IPO Share Option Scheme and the Share Award Scheme, respectively. From 1 January 2023, the Company will rely on the transitional arrangements provided for the existing share schemes and will comply with the applicable requirements under Chapter 17 of the Listing Rules accordingly.

#### 1. Pre-IPO Share Option Scheme

In order to incentivise the Directors, senior management and other employees for their contribution to the Group and to attract and retain suitable personnel to the Group, the Company adopted the Pre-IPO Share Option Scheme effective from 1 September 2016.

The purpose of the Pre-IPO Share Option Scheme is to provide the selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Pre-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Share Option Scheme at any time shall not exceed 180,000,000 Shares. However, no further options have been granted under the Pre-IPO Share Option Scheme after the Listing.

Given that no further options would be granted under the Pre-IPO Share Option Scheme, the outstanding number of options would be equivalent to the maximum number of new Shares available for issue under the Pre-IPO Share Option Scheme. As of the date of this interim report, outstanding options representing 105,043,690 underlying Shares, being approximately 2.5% of the issued share capital of the Company, were granted to eligible participants pursuant to the Pre-IPO Share Option Scheme.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Scheme as of 28 February 2025. The Company has not granted further share options under the Pre-IPO Share Option Scheme since 28 February 2017 and up to the date of this interim report. For further details on the movement of the options during the Reporting Period, please see note 14 to the financial information.

Grantee	Position Held	Date of grant	Vesting Period <sup>(1)</sup>	Outstanding as at 1 September 2024	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at 28 February 2025	Exercise price per Share	Weighted average closing price of the Company's shares immediately before the exercise date during the Reporting Period
<b>Directors, chief executive, substantial shareholders and associates</b>										
Ms. Qiu Hongjun (邱紅軍)	Executive Director; financial controller; vice president	1 September 2016	15 years from the date of grant	2,934,900	—	—	—	2,934,900	HK\$0.00001	—
<b>Other grantees in category</b>										
325 Employee Participants		1 September 2016	Up to 20 years from the date of grant	102,108,790	—	—	—	102,108,790	HK\$0.00001	—
<b>TOTAL</b>				105,043,690	—	—	—	105,043,690		

Note:

- (1) The exercise period the options granted shall end in any event not later than 20 years from the date of grant of the options subject to the provisions for early termination under the Pre-IPO Share Option Scheme.

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

### 2. Share Award Scheme

The Company adopted the Share Award Scheme by the resolutions in writing of the then sole shareholder of the Company on 8 February 2017.

There were no outstanding share awards at the beginning of the Reporting Period and no share awards were granted during the Reporting Period. Therefore, no new Shares may be issued in respect of awards granted during the Reporting Period to eligible participants pursuant to the Share Award Scheme.

#### *Number of Awards available for grant and number of new Shares available for issue under the Share Award Scheme*

The aggregate number of Shares underlying all grants made (which also represents the number of Shares available for issue) pursuant to the Share Award Scheme (excluding share which have been forfeited in accordance with the Share Award Scheme) will not exceed 270,000,000 Shares (representing 9% of the aggregate nominal amount of the issued share capital of the Company (excluding any Shares which may be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme and grants under the Share Award Scheme) as of the Listing Date) without further Shareholders' approval (the "**Share Award Scheme Limit**").

As of September 1, 2024, 250,177,900 new Shares underlying Awards to be made (representing approximately 5.9% of the issued share capital of the Company as of the date of this interim report) were available for issue under the Share Award Scheme Limit. As no share awards were granted during the Reporting Period. It follows that, as of 28 February 2025 and the date of this report, 250,177,900 new Shares and 250,177,900 new Shares underlying Awards to be made (representing approximately 5.9% of the issued share capital of the Company as of the date of this interim report) were available for issue under the Share Award Scheme Limit, respectively.

### Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this interim report, at no time during the Reporting Period 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.

Hong Kong, 30 April 2025

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

**REPORT ON REVIEW  
OF INTERIM FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF  
CHINA YUHUA EDUCATION CORPORATION LIMITED**  
(incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 72, which comprises the interim condensed consolidated balance sheet of China Yuhua Education Corporation Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 28 February 2025 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 30 April 2025

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# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		28 February 2025	29 February 2024
		(Note)	(Note 22)
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Continuing operations</b>			
<b>Revenue</b>	6	<b>1,278,104</b>	1,191,796
Cost of revenue	7	<b>(680,177)</b>	(794,571)
<b>Gross profit</b>		<b>597,927</b>	397,225
Selling expenses	7	<b>(16,782)</b>	(18,558)
Administrative expenses	7	<b>(158,544)</b>	(152,528)
Net impairment losses on financial assets		<b>(1,040)</b>	(3,072)
Other income		<b>7,265</b>	8,634
Other losses — net	8	<b>(31,518)</b>	(47,192)
<b>Operating profit</b>		<b>397,308</b>	184,509
Finance income		<b>11,943</b>	13,963
Finance expenses		<b>(22,479)</b>	(27,037)
Finance expenses — net		<b>(10,536)</b>	(13,074)
<b>Profit before income tax</b>		<b>386,772</b>	171,435
Income taxation	9	<b>3,746</b>	4,624
<b>Profit for the period from continuing operations</b>		<b>390,518</b>	176,059
<b>Discontinued operations</b>			
Profit for the period from discontinued operations, net of tax	22	<b>16,848</b>	19,279
<b>Profit for the period</b>		<b>407,366</b>	195,338
<b>Profit attributable to:</b>			
Owners of the Company			
— Continuing operations		<b>388,940</b>	173,976
— Discontinued operations	22	<b>16,848</b>	19,279
		<b>405,788</b>	193,255



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

	Note	Six months ended	
		28 February 2025	29 February 2024
		RMB'000 (Unaudited)	(Note 22) RMB'000 (Unaudited)
Non-controlling interests			
— Continuing operations		1,578	2,083
— Discontinued operations	22	—	—
		1,578	2,083
<b>Earnings per share attributable to owners of the Company (RMB Yuan)</b>			
Basic earnings per share			
— For the period	10	0.11	0.05
— For the period from continuing operations	10	0.11	0.05
Diluted earnings per share			
— For the period	10	0.10	0.05
— For the period from continuing operations	10	0.10	0.05

The notes on pages 33 to 72 form an integral part of this interim condensed consolidated financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended	
		28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Profit for the period</b>		<b>407,366</b>	195,338
— Continuing operations		<b>390,518</b>	176,059
— Discontinued operations		<b>16,848</b>	19,279
<b>Other comprehensive income</b>			
— Continuing operations			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<b>(14,882)</b>	(7,569)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value related to the changes in credit risk of convertible bonds		<b>104,710</b>	1,213
Transfer of changes in fair value related to the changes in the credit risk of convertible bonds due to the termination of convertible bonds		<b>(369,382)</b>	—
Currency translation differences		<b>12,118</b>	(395)
— Discontinued operations			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences	22	<b>3,172</b>	(3,796)
<b>Other comprehensive income for the period, net of tax</b>		<b>(264,264)</b>	(10,547)
<b>Total comprehensive income for the period</b>		<b>143,102</b>	184,791
<b>Total comprehensive income for the period attributable to:</b>			
— Owners of the Company		<b>141,524</b>	182,708
— Non-controlling interests		<b>1,578</b>	2,083
		<b>143,102</b>	184,791

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

	Note	Six months ended	
		28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Total comprehensive income for the period attributable to owners of the Company arises from:</b>			
— Continuing operations		121,504	167,225
— Discontinued operations		20,020	15,483
		<b>141,524</b>	<b>182,708</b>

The notes on pages 33 to 72 form an integral part of this interim condensed consolidated financial information.

# INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	7,246,349	7,084,757
Intangible assets	11	1,379,122	1,451,810
Right-of-use assets	11	1,692,770	1,833,494
Other non-current assets		351	11,625
<b>Total non-current assets</b>		<b>10,318,592</b>	10,381,686
<b>Current assets</b>			
Trade and other receivables	12	229,366	66,697
Assets classified as held for sale	22	381,895	—
Restricted cash		—	681
Cash and cash equivalents		1,294,436	2,090,467
<b>Total current assets</b>		<b>1,905,697</b>	2,157,845
<b>Total assets</b>		<b>12,224,289</b>	12,539,531
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	30	30
Share premium	13	1,762,405	1,762,405
Reserves		1,419,141	1,445,104
Retained earnings		5,056,351	4,281,181
<b>Capital and reserves attributable to owners of the Company</b>		<b>8,237,927</b>	7,488,720
<b>Non-controlling interests</b>		<b>46,658</b>	45,080
<b>Total equity</b>		<b>8,284,585</b>	7,533,800

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

	Note	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	11	11,188	16,052
Deferred income		163,135	164,910
Deferred income tax liabilities	19	441,222	475,868
Borrowings	16	279,980	286,990
<b>Total non-current liabilities</b>		<b>895,525</b>	943,820
<b>Current liabilities</b>			
Accruals and other payables	15	1,062,154	1,193,805
Contract liabilities		1,271,979	1,013,408
Lease liabilities	11	6,329	7,360
Borrowings	16	230,010	1,098,010
Financial liabilities at fair value through profit or loss	17	22,129	749,328
Deferred income	22	178,984	—
Liabilities directly associated with assets classified as held for sale	22	272,594	—
<b>Total current liabilities</b>		<b>3,044,179</b>	4,061,911
<b>Total liabilities</b>		<b>3,939,704</b>	5,005,731
<b>Total equity and liabilities</b>		<b>12,224,289</b>	12,539,531

The notes on pages 33 to 72 form an integral part of this interim condensed consolidated financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital (Note 13) RMB'000	Share premium (Note 13) RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Share-based payments reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>Balance at 31 August 2024</b>		30	1,762,405	(134,067)	1,312,306	128,515	138,350	4,281,181	45,080	7,533,800
<b>Comprehensive income</b>										
Profit for the period		–	–	–	–	–	–	405,788	1,578	407,366
Currency translation differences		–	–	–	–	–	408	–	–	408
Changes in fair value related to the changes in credit risk of convertible bonds		–	–	–	–	–	104,710	–	–	104,710
Transfer of changes in fair value related to the changes in the credit risk of convertible bonds due to the termination of convertible bonds		–	–	–	–	–	(369,382)	369,382	–	–
<b>Total comprehensive income for the period</b>		–	–	–	–	–	(264,264)	775,170	1,578	512,484
<b>Total transactions with owners</b>										
Ordinary shares to be issued	17	–	–	–	–	–	230,510	–	–	230,510
Share-based compensation	14	–	–	–	–	7,791	–	–	–	7,791
<b>Total transactions with owners in their capacity as owners</b>		–	–	–	–	7,791	230,510	–	–	238,301
<b>Balance at 28 February 2025</b>		30	1,762,405	(134,067)	1,312,306	136,306	104,596	5,056,351	46,658	8,284,585

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Note	Share capital (Note 13) RMB'000	Share premium (Note 13) RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Share-based payments reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>Balance at 31 August 2023</b>		30	1,762,405	(134,067)	1,233,478	112,904	17,655	3,961,268	39,899	6,993,572
<b>Comprehensive income</b>										
Profit for the period		—	—	—	—	—	—	193,255	2,083	195,338
Currency translation differences		—	—	—	—	—	(11,760)	—	—	(11,760)
Changes in fair value related to the changes in credit risk of convertible bonds		—	—	—	—	—	1,213	—	—	1,213
<b>Total comprehensive income for the period</b>		—	—	—	—	—	(10,547)	193,255	2,083	184,791
<b>Total transactions with owners</b>										
Share-based compensation	14	—	—	—	—	7,370	—	—	—	7,370
<b>Total transactions with owners in their capacity as owners</b>		—	—	—	—	7,370	—	—	—	7,370
<b>Balance at 29 February 2024</b>		30	1,762,405	(134,067)	1,233,478	120,274	7,108	4,154,523	41,982	7,185,733

The notes on pages 33 to 72 form an integral part of this interim condensed consolidated financial information.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended	
		28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from operations (continuing operations)		1,078,060	1,096,165
Interest received		9,776	13,125
Interest paid		(24,351)	(24,419)
		1,063,485	1,084,871
Discontinued operations		4,601	7,091
Net cash generated from operating activities		1,068,086	1,091,962
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(615,113)	(1,802,276)
Proceeds from disposal of property, plant and equipment		294	232
Purchases of intangible assets		(4,496)	(49,653)
Proceeds from disposal of intangible assets		8	1
Payments of prepaid land lease payments		—	(36,899)
Changes in restricted cash		681	8
Received in advance from disposal of subsidiaries in Thailand	22	178,984	—
Cash and cash equivalents held by the disposal subsidiaries in Thailand	22	(102,081)	—
		(541,723)	(1,888,587)
Discontinued operations		(17,173)	(613)
Net cash used in investing activities		(558,896)	(1,889,200)



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Note	Six months ended	
		28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	16	150,000	400,000
Repayments of borrowings	16	(1,025,010)	(606,900)
Redemption of convertible bonds	17(c)	(397,921)	—
Repurchase of convertible bonds	17(c)	(29,438)	—
Principal elements of lease payments or finance lease payments		(3,993)	(6,221)
		(1,306,362)	(213,121)
Discontinued operations		(530)	(717)
Net cash used in financing activities		(1,306,892)	(213,838)
<b>Net decrease in cash and cash equivalents</b>		(797,702)	(1,011,076)
Cash and cash equivalents at beginning of the period		2,090,467	2,370,966
Exchange gains/(losses) on cash and cash equivalents		1,671	(2,050)
— Continuing operations		893	(1,161)
— Discontinued operations		778	(889)
<b>Cash and cash equivalents at end of the period</b>		1,294,436	1,357,840

The notes on pages 33 to 72 form an integral part of this interim condensed consolidated financial information.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

China YuHua Education Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of private formal education services from high school to university in mainland China and the Kingdom of Thailand (“**Thailand**”) (the “**Business**”).

The Company was incorporated in the Cayman Islands on 25 April 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. The address of the Company’s registered office is at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands. The ultimate holding company of the Company is GuangYu Investment Holdings Limited (“**GuangYu Investment**”). The ultimate controlling party of the Group is Mr. Li Guangyu, who is also the Chairman of the Board of Directors of the Company (the “**Controlling Shareholder**”).

As set out in Note 4(a) to the consolidated financial statements for the year ended 31 August 2021, the Group conducts a substantial portion of its businesses through control of certain entities established in the PRC, together with their wholly owned schools, by way of contractual agreements (collectively the “**Consolidated Affiliated Entities**”), due to the regulatory restrictions on foreign ownership of schools in the PRC. During the period, the Board of Directors (the “**Directors**”) re-assessed and concluded that the contractual agreements continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are legally enforceable. Accordingly, the Directors are of the view that the Company continues to control over the Consolidated Affiliated Entities and therefore consolidates the Consolidated Affiliated Entities in this interim condensed consolidated financial information.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 28 February 2017 (the “**Listing**”).

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 28 February 2025 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 August 2024, which have been prepared in accordance with IFRS Accounting Standards.

#### 2.1 Going concern

As at 28 February 2025, the Group’s current liabilities exceeded its current assets by RMB1,138,482,000. Included in the current liabilities as at 28 February 2025 were contract liabilities of RMB1,271,979,000 relating to tuition and boarding fees received in advanced, net payables to the Affected Business upon deconsolidation (Note 15) of RMB594,030,000, current borrowings of RMB230,010,000 (Note 16), and the warrants to be issued which were classified under financial liabilities at fair value through profit or loss of RMB22,129,000 (Note 17). In addition, as at 28 February 2025, the Group had non-current borrowings of RMB279,980,000 (Note 16), the principals of which were all repayable more than twelve months from the period end date in accordance with the respective borrowing agreements. The Group had cash and cash equivalents of RMB1,294,436,000 as at 28 February 2025.

Management has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern and concluded that the Group will have sufficient financial resources to support its operations and to meet its financial obligations and commitments as and when they fall due on the coming twelve months from 28 February 2025.

The directors of the Company have reviewed the management’s assessment together with the underlying basis and are satisfied that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 August 2024.

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

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 September 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to IAS 1
- Lease Liability in Sale and Leaseback — Amendments to IFRS 16, and
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

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

#### (b) New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published and are not mandatory for February 28, 2025 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 4 ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements.

#### Estimation of the fair value of certain financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used and the impact of changes to these assumptions are set out in Note 5.3.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 5 FINANCIAL RISK MANAGEMENT

#### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 August 2024.

There have been no changes in the risk management policies since year end 31 August 2024.

#### 5.2 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 bank borrowings.

The Group has cash and cash equivalents and trade receivables that are expected to readily generate cash inflows for managing liquidity risk.

	<b>As at 28 February 2025 RMB'000 (Unaudited)</b>	<b>As at 31 August 2024 RMB'000 (Audited)</b>
Trade receivables	<b>4,564</b>	5,697
Cash and cash equivalents	<b>1,294,436</b>	2,090,467

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 5 FINANCIAL RISK MANAGEMENT (Continued)

#### 5.2 Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying Amount at period/ year end RMB'000
<b>Unaudited</b>						
<b>As at 28 February 2025</b>						
Borrowings (principal plus interests)	247,980	122,380	166,993	—	537,353	509,990
Lease liabilities	7,096	3,632	6,996	1,189	18,913	17,517
Accruals and other payables (excluding non-financial liabilities)	1,013,911	—	—	—	1,013,911	1,013,911
	1,268,987	126,012	173,989	1,189	1,570,177	1,541,418
<b>Audited</b>						
<b>As at 31 August 2024</b>						
Borrowings (principal plus interests)	1,125,080	27,163	274,366	—	1,426,609	1,385,000
Convertible bonds	892,925	—	—	—	892,925	749,328
Leases liabilities	7,485	8,266	6,970	1,322	24,043	23,412
Accruals and other payables (excluding non-financial liabilities)	1,103,676	—	—	—	1,103,676	1,103,676
	3,129,166	35,429	281,336	1,322	3,447,253	3,261,416

#### 5.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at the balance sheet date by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 5 FINANCIAL RISK MANAGEMENT (Continued)

#### 5.3 Fair value estimation (Continued)

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's liabilities that are measured at fair value:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Level 3</b>		
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss (Note 17)	22,129	749,328

The following table presents the movement in level 3 financial liabilities:

	Convertible Bonds (level 3) RMB'000	Warrants to be issued (level 3) RMB'000	Total RMB'000
<b>Financial liabilities</b>			
<b>At 1 September 2024</b>	749,328	—	749,328
Addition	—	19,097	19,097
Settlements	(628,768)	—	(628,768)
Repurchases of convertible bonds	(47,186)	—	(47,186)
Gains and losses recognised in profit or loss (Note 8)	24,190	2,973	27,163
Gains and losses recognised in other comprehensive income — fair value impact from credit risk	(104,710)	—	(104,710)
Exchange difference	7,146	59	7,205
<b>At 28 February 2025</b>	—	22,129	22,129
Changes in unrealised gain or loss included in profit or loss for the period	24,190	2,973	27,163

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 5 FINANCIAL RISK MANAGEMENT (Continued)

#### 5.3 Fair value estimation (Continued)

The following table presents the movement in level 3 financial liabilities for the six months ended 29 February 2024:

	Convertible Bonds (level 3) RMB'000
<b>Financial liabilities</b>	
<b>At 1 September 2023</b>	811,117
Gains and losses recognised in profit or loss (Note 8)	15,208
Gains and losses recognised in other comprehensive income — changes in fair value that is attributable to changes to the liability's credit risk	(1,213)
Exchange difference	(7,040)
<b>At 29 February 2024</b>	818,072
Changes in unrealised gain or loss included in profit or loss for the period	15,208

The carrying amounts of the Group's financial assets, including cash and cash equivalents, restricted cash and trade and other receivables, and financial liabilities, including accruals and other payables, approximated their fair values due to the short maturities.

The fair value of the financial assets at fair value through profit or loss is estimated by discounting the future cash flows at the current market interest rate available for similar financial instruments.

The fair value of the financial liabilities at fair value through profit or loss is determined by reference to the valuation performed by an independent valuer engaged by management of the company using the Binomial Method.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 5 FINANCIAL RISK MANAGEMENT (Continued)

#### 5.3 Fair value estimation (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Warrants to be issued	Fair value RMB'000	Unobservable inputs	Relationship of unobservable inputs to fair value
As at 28 February 2025	22,129	Volatility: 51.65% Risk free rate: 3.08%	Increased volatility 1% would increase FV by RMB446,000; Increased risk free rate 0.31% would increase FV by RMB201,000.

Convertible bonds	Fair value RMB'000	Unobservable inputs	Relationship of unobservable inputs to fair value
As at 31 August 2024	749,328	Dividend yield: 0.00% Volatility: 37.21% Risk free rate: 3.67% Bond yield: 18.87%	Increased bond yield 1% would decrease FV by RMB1,147,000; Increased risk free rate 0.37% would decrease FV by RMB374,000; FV is insensitive to dividend yield, volatility.

#### *The Group's valuation processes*

For the financial assets, including level 3 fair values, the Group's Finance Department performs the valuations. The Finance Department reports directly to the Chief Financial Officer ("CFO"). Discussions of valuation processes and results are held between the CFO and Finance Department semi-annually, in line with the Group's semi-annual reporting dates.

The valuation technique adopted is scenario-based discounted cash flows method. When estimating the fair value of the financial liabilities at fair value through profit or loss, scenarios of full repayment and partial repayment upon maturity are considered with the key inputs of risk free rate, bond yield, volatility, dividend yield and etc.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 6 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of private formal education from high school (Grade 10 to 12) to university and vocational college education services in mainland China and the Thailand.

The executive directors are identified as the chief operating decision-maker (the “**CODM**”) of the Group. Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The CODM considers the business from the service perspective. When the Group companies have similar economic characteristics, and the segments are similar in each of the following respects: (i) the nature of the services; (ii) the type or class of students for their services; (iii) the methods used to provide their services; and (iv) if applicable, the nature of the regulatory environment, the Group’s operating segments are aggregated. During the period, in the view of CODM, the Group is principally engaged in two different segments which are subject to different business risks and different economic characteristics and the Group’s operating and reportable segments for segment reporting purpose are High School and Universities and vocational college, respectively.

For the purposes of monitoring segment performances and allocating resources between segments, segment results represent the profit for the period earned by each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Assets and liabilities dedicated to a particular segment’s operations are included in that segment’s total assets and liabilities.

The Group has a large number of customers, no single customer accounted for more than 10% of the Group’s total revenue for the six months ended 28 February 2025 and 29 February 2024.

As disclosed in Note 22, the disposal of the Group’s subsidiaries in the Thailand was in process as at 28 February 2025. Therefore, the Group’s Thailand operations were classified as discontinued operations and were presented separately in the interim condensed consolidated statement of profit or loss for the six months ended 28 February 2025. The comparative information relating to the discontinued operations has been re-presented to conform to the current period’s presentation. As at 28 February 2025, the assets and liabilities of the Group’s subsidiaries in the Thailand were classified under held for sale assets and held for sale liabilities separately in the interim condensed consolidated balance sheet.

The CODM did not separately review the results of the Group’s Thailand operations as: (i) the disposal of the Group’s Thailand operations was in process; and (ii) the discontinued operations do not meet the quantitative threshold for disclosure. Therefore, no additional disclosures were required.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

The information of the reportable segments provided to the CODM is as follows:

	High school RMB'000	Universities and vocational college RMB'000	Unallocated RMB'000	Inter- segment elimination RMB'000	Total RMB'000
<b>Unaudited</b>					
<b>For the six months ended</b>					
<b>28 February 2025</b>					
Revenue	74,873	1,203,231	419	(419)	1,278,104
Cost of revenue	(62,146)	(618,031)	—	—	(680,177)
<b>Gross profit</b>	<b>12,727</b>	<b>585,200</b>	<b>419</b>	<b>(419)</b>	<b>597,927</b>
Selling expenses	(827)	(15,955)	—	—	(16,782)
Administrative expenses	(8,305)	(138,910)	(11,748)	419	(158,544)
Net impairment losses on financial assets	—	(1,040)	—	—	(1,040)
Other income	202	7,187	(124)	—	7,265
Other losses — net	(18)	(3,190)	(28,310)	—	(31,518)
Operating profit	3,779	433,292	(39,763)	—	397,308
Finance income/(expenses) — net	1,419	(7,161)	(4,794)	—	(10,536)
<b>Profit before income tax</b>	<b>5,198</b>	<b>426,131</b>	<b>(44,557)</b>	<b>—</b>	<b>386,772</b>
Income taxation	213	3,533	—	—	3,746
<b>Profit for the period</b>	<b>5,411</b>	<b>429,664</b>	<b>(44,557)</b>	<b>—</b>	<b>390,518</b>
<b>Profit for the period from discontinued operations</b>	<b>—</b>	<b>16,848</b>	<b>—</b>	<b>—</b>	<b>16,848</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	High school RMB'000	Universities and vocational college RMB'000	Unallocated RMB'000	Inter- segment elimination RMB'000	Total RMB'000
<b>Unaudited</b>					
<b>As at 28 February 2025</b>					
Total assets	1,530,369	15,321,105	3,020,351	(7,647,536)	12,224,289
— Continuing operations	1,530,369	14,939,210	3,020,351	(7,647,536)	11,842,394
— Discontinued operations	—	381,895	—	—	381,895
Total liabilities	464,279	5,652,168	5,794,135	(7,970,878)	3,939,704
— Continuing operations	464,279	5,379,574	5,794,135	(7,970,878)	3,667,110
— Discontinued operations	—	272,594	—	—	272,594
<b>Other segment information</b>					
<b>For the six months ended 28 February 2025</b>					
Additions to non-current assets	8,555	568,405	—	—	576,960
— Continuing operations	8,555	551,232	—	—	559,787
— Discontinued operations	—	17,173	—	—	17,173
Depreciation and amortisation	(22,475)	(337,692)	(1,455)	—	(361,622)
— Continuing operations (Note 7)	(22,475)	(330,327)	(1,455)	—	(354,257)
— Discontinued operations	—	(7,365)	—	—	(7,365)
Losses on disposal of property, plant and equipment and disposal of intangible assets	14	1,075	1	—	1,090
— Continuing operations (Note 8)	14	1,075	1	—	1,090
— Discontinued operations	—	—	—	—	—

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	High school RMB'000	Universities and vocational college RMB'000	Unallocated RMB'000	Inter- segment elimination RMB'000	Total RMB'000
<b>Unaudited</b>					
<b>For the six months ended</b>					
<b>29 February 2024</b>					
Revenue	77,115	1,114,681	473	(473)	1,191,796
Cost of revenue	(61,151)	(733,420)	—	—	(794,571)
<b>Gross profit</b>	15,964	381,261	473	(473)	397,225
Selling expenses	(718)	(17,840)	—	—	(18,558)
Administrative expenses	(4,569)	(137,532)	(10,900)	473	(152,528)
Net impairment losses on financial assets	—	(3,072)	—	—	(3,072)
Other income	653	7,971	10	—	8,634
Other losses — net	(6,985)	(24,994)	(15,213)	—	(47,192)
<b>Operating profit</b>	4,345	205,794	(25,630)	—	184,509
Finance income/(expenses) — net	2,112	(7,862)	(7,324)	—	(13,074)
<b>Profit before income tax</b>	6,457	197,932	(32,954)	—	171,435
Income taxation	213	4,411	—	—	4,624
<b>Profit for the period</b>	6,670	202,343	(32,954)	—	176,059
<b>Profit for the period from discontinued operations</b>	—	19,279	—	—	19,279

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	High school RMB'000	Universities and vocational college RMB'000	Unallocated RMB'000	Inter- segment elimination RMB'000	Total RMB'000
<b>Unaudited</b>					
<b>As at 29 February 2024</b>					
Total assets	1,507,199	14,131,408	3,184,234	(6,643,353)	12,179,488
Total liabilities	450,769	5,205,347	6,345,341	(7,007,702)	4,993,755
<b>Other segment information</b>					
<b>For the six months ended</b>					
<b>29 February 2024</b>					
Additions to non-current assets	14,542	1,714,733	—	—	1,729,275
Depreciation and amortisation	(15,642)	(284,322)	(1,696)	—	(301,660)
— Continuing operations					
(Note 7)	(15,642)	(277,793)	(1,696)	—	(295,131)
— Discontinued operations	—	(6,529)	—	—	(6,529)
Losses on disposal of property, plant and equipment and disposal of intangible assets	59	7,649	5	—	7,713
— Continuing operations					
(Note 8)	59	7,649	5	—	7,713
— Discontinued operations	—	—	—	—	—

Segment information by location is set out below.

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Non-current assets</b>		
Mainland China	10,318,592	10,121,780
Thailand	—	259,906
	10,318,592	10,381,686

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 7 EXPENSES BY NATURE

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited) (Re-presented)
Employee benefit expenses	319,266	357,595
— Wages, salaries, bonus and other welfare	311,475	350,225
— Share-based compensation expenses (Note 14)	7,791	7,370
Depreciation expenses		
— property, plant and equipment (Note 11)	307,308	248,608
— right-of-use assets (Note 11)	30,272	31,176
Amortisation of intangible assets (Note 11)	16,677	15,347
Students training and scholarship expenses	48,945	106,503
School consumables	12,732	40,510
Utilities expenses	21,048	23,643
Maintenance expenses	23,162	43,632
Marketing expenses	14,776	17,171
Expense relating to short-term leases	1,690	2,640
Office expenses	41,821	61,344
Auditor's remuneration	1,400	1,400
— Audit and audit related services	1,400	1,400
— Non-audit services	—	—
Consultancy and professional fee	4,041	1,544
Travel and entertainment expenses	6,268	7,456
Other expenses	6,097	7,088
	855,503	965,657

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 8 OTHER LOSSES-NET

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Fair value loss on convertible bonds	(24,190)	(15,208)
Fair value loss on warrants to be issued	(2,973)	—
Losses on redemption of convertible bonds (Note 17(c))	(18,075)	—
Gains on repurchase of convertible bonds (Note 17 (c))	16,928	—
Provision for legal claims (a)	(2,176)	(17,401)
Losses on disposal of property, plant and equipment	(1,090)	(7,713)
Donation	58	54
Write-off of other non-current assets	—	(6,924)
	(31,518)	(47,192)

- (a) On 15 December 2023, the Intermediate People's Court of Changsha City in the Hunan Province handed down a final judgment that Hunan Lie Ying Industry Co., Ltd. ("**Hunan Lie Ying**"), a wholly owned subsidiary acquired by the Group in 2017, is liable to pay up the capital of Hunan Su Yue Sen Construction Engineering Co., Ltd. amounting to RMB17,401,000, where Hunan Lie Ying was a shareholder prior to 2013. The amount is recognized as an other loss in the income statement.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 9 INCOME TAXATION

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited) (Re-presented)
Current income tax	—	—
Current income tax on profits before income tax for the period	—	—
Deferred income tax		
Decrease in deferred income tax assets (Note 19)	942	—
Decrease in deferred income tax liabilities (Note 19)	(4,688)	(4,624)
Total deferred income tax benefit	(3,746)	(4,624)
Income taxation	(3,746)	(4,624)

#### (a) Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

#### (b) Hong Kong

No provision for Hong Kong profit tax was provided as the Group did not derive any assessable profits in Hong Kong (2024: Nil).

#### (c) Mainland China

Corporate income tax (“**CIT**”) in mainland China is provided on estimated taxable profits of entities incorporated in mainland China. Pursuant to the Corporate Income Tax Law of the PRC (the “**CIT Law**”), which was effective from January 2008, the CIT rate applicable to the Group’s subsidiaries incorporated in mainland China was 25% during the six months ended 28 February 2025 and 29 February 2024.

According to the Implementation Rules for the Law for Promoting Private Education, private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. As a result, private schools providing academic qualification education are eligible to enjoy CIT exemption treatment if the sponsors of such schools do not require reasonable returns. The Group’s high schools and universities in the mainland China have been granted corporate income tax exemption for the tuition income from relevant local tax authorities. Zhengzhou Software Vocational and Technical College is subject to corporate income tax. During the period, this school did not derived any taxable profit.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 9 INCOME TAXATION (Continued)

#### (c) Mainland China (Continued)

The corporate income tax rate for Xizang Yuanpei Information Technology Management Company Limited (“**Xizang Yuanpei**”), a wholly-owned subsidiary of the Company, is 15% based on the relevant tax regulations of Tibet Autonomous Region.

#### (d) Thailand

The statutory corporate income tax rate applied on the taxable profits for Thailand companies is 20% (2024: 20%). According to the relevant Thailand regulations, entities which engages in provision of higher education services are not subject to Thailand income taxes.

### 10 EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	Six months ended	
	28 February 2025 (Unaudited)	29 February 2024 (Unaudited)
Profit attribute to owners of the Company (RMB'000)		
— for the period	<b>405,788</b>	193,255
— for the period from continuing operations	<b>388,940</b>	173,976
Weighted average number of ordinary shares in issue (Thousands)	<b>3,672,788</b>	3,606,788
Basic earnings per share (RMB Yuan)		
— for the period	<b>0.11</b>	0.05
— for the period from continuing operations	<b>0.11</b>	0.05

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 10 EARNINGS PER SHARE

#### (b) Diluted

Diluted earnings per share is calculated based on the profit attributable to owners of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended	
	28 February 2025 (Unaudited)	29 February 2024 (Unaudited)
Profit attributable to owners of the Company (RMB'000)		
— for the period	405,788	193,255
— for the period from continuing operations	388,940	173,976
Adjustments for:		
— impact of the Convertible Bonds (RMB'000)	29,234	19,203
Adjusted profit attributable to owners of the Company (RMB'000)		
— for the period	435,022	212,458
— for the period from continuing operations	418,174	193,179
Weighted average number of ordinary shares in issue (Thousands)	3,672,788	3,606,788
Adjustments for:		
— impact of the Convertible Bonds (Thousands)	502,320	590,303
Adjusted weighted average number of ordinary shares for diluted earnings per share (Thousands)	4,175,108	4,197,091
Diluted earnings per share (RMB Yuan)		
— for the period	0.10	0.05
— for the period from continuing operations	0.10	0.05

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 11 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, AND LEASES

#### (a) Property, plant and equipment and intangible assets

	Property, plant and equipment RMB'000 (Unaudited)	Trademark RMB'000 (Unaudited)	Goodwill RMB'000 (Unaudited)	Other intangible assets RMB'000 (Unaudited)
<b>Six months ended 28 February 2025</b>				
Opening net book amount	7,084,757	428,150	903,917	119,743
Additions	572,464	—	—	4,496
Disposals	(1,384)	—	—	(8)
Depreciation and amortisation	(311,691)	(2,144)	—	(16,677)
— Continuing operations	(307,308)	—	—	(16,677)
— Discontinuing operations	(4,383)	(2,144)	—	—
Disposal of subsidiaries (Note 22)	(98,715)	(16,795)	(41,560)	—
Exchange differences	918	—	—	—
<b>Closing net book amount</b>	<b>7,246,349</b>	<b>409,211</b>	<b>862,357</b>	<b>107,554</b>
<b>Six months ended 29 February 2024</b>				
Opening net book amount	5,862,436	432,438	1,084,625	92,139
Additions	1,642,468	—	—	49,653
Disposals	(7,945)	—	—	(1)
Depreciation and amortisation	(252,219)	(2,144)	—	(15,347)
— Continuing operations	(248,608)	—	—	(15,347)
— Discontinuing operations	(3,611)	(2,144)	—	—
Exchange differences	(2,754)	—	—	—
<b>Closing net book amount</b>	<b>7,241,986</b>	<b>430,294</b>	<b>1,084,625</b>	<b>126,444</b>

As at 28 February 2025, the carrying amount of buildings without building ownership certificates was RMB343,690,000 (31 August 2024: RMB276,610,000). The Group is in the process to obtain the certificates.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 11 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, AND LEASES (Continued)

(b) Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Right-of-use assets		
— Buildings	18,575	27,117
— leasehold land	1,674,195	1,806,101
— Vehicles	—	276
	1,692,770	1,833,494
Lease liabilities		
— Current	6,329	7,360
— Non-current	11,188	16,052
	17,517	23,412

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 11 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, AND LEASES (Continued)

#### (b) Leases (Continued)

##### (ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets		
Continuing operations		
— Buildings	4,569	5,705
— Leasehold land	25,703	25,471
	30,272	31,176
Discontinuing operations (Note 22)		
— Buildings	675	640
— Vehicles	163	134
	838	774
Interest expense (included in finance expense)	641	490
Expense relating to short-term leases (included in cost of revenue and administrative expenses)	1,690	2,640

##### (iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(iv) As at 28 February 2025, the carrying value of the land use right allocated by the government was RMB438,544,000 (31 August 2024: RMB445,376,000).

(v) As at 28 February 2025, the carrying amount of leasehold land without land use right certificates was RMB15,706,000 (31 August 2024: RMB16,193,000). The Group is in the process of applying for the certificates.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 12 TRADE AND OTHER RECEIVABLES

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Trade receivables		
Due from students	14,278	14,578
Provision for impairment	(9,714)	(8,881)
	4,564	5,697
Other receivables		
Receivables from disposal subsidiaries (a)	166,066	—
Receivables from local government	46,202	49,202
Deposits	2,342	2,342
Staff advances	2,251	2,614
Others	652	5,050
Provision for impairment	(515)	(737)
	216,998	58,471
	57,125	160,020
Prepayments		
Prepaid expenses	7,804	2,529
	229,366	66,697

Note:

- (a) The amount represents receivables due from TEDCO and its subsidiaries as the assets and liabilities of TEDCO and its subsidiaries were classified under held for sale, this amount was no longer internal offset within the Group as at 28 February 2025.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 12 TRADE AND OTHER RECEIVABLES (Continued)

The aging analysis of the trade receivables based on the invoice date is set as followings:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Less than 1 year	6,382	7,790
Over 1 year	7,896	6,788
	14,278	14,578

### 13 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares (unaudited)	Nominal value of ordinary shares HK\$ (unaudited)
<b>Authorised, HK\$0.00001 each:</b>		
As at 31 August 2024 and 28 February 2025	50,000,000,000	500,000

	Number of ordinary shares	Amount HK\$	Equivalent amount RMB'000	Share premium RMB'000	Total RMB'000
<b>Issued and paid, HK\$0.00001 each:</b>					
Balance at 1 September 2024 and 28 February 2025	3,606,787,883	36,068	30	1,762,405	1,762,435
Balance at 1 September 2023 and 29 February 2024	3,606,787,883	36,068	30	1,762,405	1,762,435



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 14 SHARE-BASED PAYMENTS

#### Pre-IPO Share Option Scheme

Movements in the number of share options outstanding under the Pre-IPO Share Option Scheme and their weighted average exercise prices are as follows:

	Six months ended 28 February 2025		Six months ended 29 February 2024	
	Exercise price per share option HK\$ (unaudited)	Number of share options (unaudited)	Exercise price per share option HK\$ (unaudited)	Number of share options (unaudited)
<b>Share options outstanding under the Pre-IPO Share Option Scheme:</b>				
Opening balance	0.00001	105,043,690	0.00001	105,043,690
Share options exercised	0.00001	—	0.00001	—
Closing balance	0.00001	105,043,690	0.00001	105,043,690
Exercisable at period end	0.00001	4,327,190	0.00001	4,327,190

Share options outstanding have the following expiry date and exercise prices:

	28 February 2025		29 February 2024	
	Exercise price per share option HK\$ (unaudited)	Number of share options (unaudited)	Exercise price per share option HK\$ (unaudited)	Number of share options (unaudited)
<b>Expiry date</b>				
1 September 2036	0.00001	105,043,690	0.00001	105,043,690

102,621,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 20 years. Commencing from the first, second to sixth, seventh to eleventh, twelfth to sixteenth and seventeenth to twentieth anniversaries, the relevant grantees may exercise up to 5%, 20%, 30%, 50% and 100% of the shares comprised in his or her option. As at 28 February 2025, 20,524,200 share options have been vested, and 3,278,900 share options have not yet exercised.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 14 SHARE-BASED PAYMENTS (Continued)

#### Pre-IPO Share Option Scheme (Continued)

15,658,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 20 years. Upon the Listing and commencing from the second to sixth, seventh to eleventh, twelfth to sixteenth and seventeenth to twentieth anniversaries, the relevant grantees may exercise up to 5%, 20%, 30%, 50% and 100% of the shares comprised in his or her option. As at 28 February 2025, 3,131,600 share options have been vested, and 363,590 share options have not yet exercised.

4,402,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 15 years. Commencing from the first, second to sixth, seventh to eleventh and twelfth to fifteenth anniversaries, the relevant grantees may exercise up to 5%, 25%, 45% and 100% of the shares comprised in his or her option. As at 28 February 2025, 1,100,500 share options have been vested, and 440,200 share options have not yet exercised.

1,636,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 15 years. Upon the Listing and commencing from the second to sixth, seventh to eleventh and twelfth to fifteenth anniversaries, the relevant grantees may exercise up to 5%, 25%, 45% and 100% of the shares comprised in his or her option. As at 28 February 2025, 409,000 share options have been vested and exercised.

2,608,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 10 years. Upon the Listing and commencing from the second to sixth and seventh to tenth anniversaries, the relevant grantees may exercise up to 5%, 40% and 100% of the shares comprised in his or her option. As at 28 February 2025, 1,043,200 share options have been vested and 244,500 share options have not yet exercised.

44,075,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 5 years. Upon the Listing and commencing from the second to fifth anniversaries, the relevant grantees may exercise up to 3% and 100% of the shares comprised in his or her option. As at 28 February 2025, 44,075,000 share options have been vested and exercised.

9,000,000 share options granted under the Pre-IPO Share Option Scheme on 1 September 2016 have a vesting period of 3 years. Upon the Listing and commencing from the first and second to third anniversary, the relevant grantees may exercise up to 40%, 60% and 100% of the shares comprised in his or her option. As at 28 February 2025, 9,000,000 share options have been vested and exercised.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 14 SHARE-BASED PAYMENTS (Continued)

#### Pre-IPO Share Option Scheme (Continued)

The fair value of the options granted under the Pre-IPO Share Option Scheme as determined using the Binominal model was HK\$464,583,000. Significant inputs into the model were as follows:

Spot price (HK\$)	2.58
Exercise price (HK\$)	0.00001
Expected volatility	62.0%
Time to maturity	Based on the terms of the options
Weighted average annual risk free interest rate	1.1%
Expected dividend yield	0.0%

The fair value of the Pre-IPO Share Option Scheme is charged to the consolidated statement of profit or loss over the vesting period of the options. Total share option expenses charged to the interim condensed consolidated statement of profit or loss for the six months ended 28 February 2025 amounted to HK\$8,560,000 (equivalent to RMB7,791,000) (2024: HK\$8,560,000 (equivalent to RMB7,370,000)).

### 15 ACCRUALS AND OTHER PAYABLES

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Net payables to the Affected Business upon deconsolidation (Note 21(b))	594,030	594,030
Amounts due to related parties (Note 21(b))	12,793	12,435
Payables for purchases of property, plant and equipment	180,821	247,913
Miscellaneous expenses received from students	120,699	113,453
Salary and welfare payables	45,064	53,767
Government subsidies payable to students and teachers	30,108	42,467
Deposits received	18,948	20,422
Payables for teaching materials and other operating expenditure	12,234	20,979
Audit and consulting fees	3,013	3,212
Interest payables	5,813	7,888
Taxes payable	3,179	26,688
Legal claim payables (Note 8)	17,401	18,290
Defined pension benefits	—	9,674
Others	18,051	22,587
	<b>1,062,154</b>	<b>1,193,805</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 16 BORROWINGS

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Non-current</b>		
Bank loans, unsecured	279,980	286,990
<b>Current</b>		
Bank loans, secured	50,000	220,000
Bank loans, unsecured	180,010	878,010
	230,010	1,098,010
<b>Total borrowings</b>	<b>509,990</b>	<b>1,385,000</b>

(a) Movements in borrowings is analysed as follows:

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<b>As at beginning of the period</b>	<b>1,385,000</b>	1,456,900
Proceeds of new borrowings (i)	150,000	400,000
Repayment of borrowings	(1,025,010)	(606,900)
<b>As at end of the period</b>	<b>509,990</b>	1,250,000

(i) The interest rates are determined by the relevant loan prime rate plus 35 basis points of the respective bank loans. The average interest rate of the bank loans during the period was 3.556% (2024: 3.705%).

(b) As at 28 February 2025, there were no undrawn bank facility (31 August 2024: RMB12,000,000).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 16 BORROWINGS (Continued)

(c) The carrying amounts of secured bank loans are analysed as below:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Bank borrowings</b>		
Guaranteed by a related party	50,000	220,000

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Current</b>		
Convertible Bonds	—	749,328
Warrants to be issued	22,129	—
	22,129	749,328

#### (a) Issuance of the Convertible Bonds

On 27 December 2019, the Company issued convertible bonds with an aggregate principal amount of HK\$2,088,000,000 (approximately RMB1,876,402,000) (the “**Convertible Bonds**”). The issuance cost of approximately RMB18,756,000 was charged as finance expenses. The Convertible Bonds were recognised and measured as financial liabilities at fair value through profit or loss pursuant to the terms of the trust deed (the “**Trust Deed**”) constituting the Convertible Bonds.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (a) Issuance of the Convertible Bonds (Continued)

The Convertible Bonds bear interest on their outstanding principal amount from and including the issue date at the rate of 0.90 per cent per annum, payable semi-annually in arrears on 27 June and 27 December in each year, commencing on 27 June 2020. Pursuant to the Trust Deed, the Convertible Bonds can be converted into fully paid ordinary shares of the Company with a par value of HK\$0.00001 each, at the option of the holders of the Convertible Bonds (the “**Bondholders**”). Each convertible bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after the date which is 41 days after the Issue Date up to the close of business on the date falling seven days prior to the Maturity Date (the “**Conversion Period**”) into fully paid ordinary shares with a par value of HK\$0.00001 each of the Company at an initial conversion price of HK\$7.1303 per share. The conversion price is subject to adjustment in the circumstances described under certain terms and conditions of the Trust Deed. As at 31 August 2022, the conversion price of the Convertible Bonds was HK\$6.68 per share and no conversion related to the Convertible Bonds was exercised by the Bondholders.

On giving notice in accordance with the respective terms and conditions of the Trust Deed, at any time after 1 March 2023 and prior to the Maturity Date, the Convertible Bonds may be redeemed at the option of the Company.

The Convertible Bonds may be redeemed at the option of the Company or the Bondholders pursuant to the respective terms and conditions under the Trust Deed. The convertible bonds may be redeemed at the option of the Company in whole but not in part for taxation reasons as described in the Trust Deed. According to the terms of the Trust Deed, the Bondholders had rights to require the Company to redeem all or part of the Convertible Bonds at the nominal value together with the accrued interest on 27 December 2022 (the “**Early Redemption Date**”). As at 31 August 2022, the Convertible Bonds was reclassified as current liability due to the relevant redemption option of the Bondholders.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (b) Repurchase of and amendments to the Convertible Bonds

On 25 October 2022, the Company repurchased and cancelled a portion of the Convertible Bonds with principal amounts of HK\$614,000,000 from certain Bondholders at a total consideration of HK\$428,100,000 (equivalent to RMB388,784,000), resulted in an other gain of approximately HK\$186,000,000 (equivalent to RMB169,738,000). After such repurchase, the outstanding principal amount of the Convertible Bonds was reduced to HK\$1,474,000,000. On 25 November 2022, all of the remaining Bondholders confirmed to exercise of their early redemption rights under the Convertible Bonds. Although the Group had cash and cash equivalents of HK\$4,344,000,000 on the Early Redemption Date, the cash and cash equivalents available outside of mainland China were not sufficient to redeem all of the Convertible Bonds. The Group was also not able to arrange financing facilities outside mainland China before the Early Redemption Date. As a result, the outstanding principal of HK\$1,474,000,000 and the accrued interest of HK\$6,633,000 were not paid by the Company on the Early Redemption Date (the **“Events of Default”**). The following actions have been taken to mitigate the above conditions:

On 12 January 2023, the Company issued a notice to request the remaining Bondholders to approve an extraordinary resolution in accordance with the Trust Deed (the **“Extraordinary Resolution”**) which sets out certain revised terms and waivers in relation to the Convertible Bonds. The Extraordinary Resolution was approved by the requisite Bondholders on 18 January 2023 with the revised terms and waivers signed under a supplemental trust deed (**“Supplemental Trust Deed”**) effective and became irrevocable on 19 January 2023, details of which are set out below.

- (1) A mandatory redemption by the Company totaling HK\$500,000,000 to all the remaining Bondholders on a pro-rata basis on 30 January 2023. The remaining outstanding aggregate principal amount of HK\$974,000,000 will be fully repayable on 27 December 2024, with interest payable remains at 0.9% per annum payable semi-annually on 27 June and 27 December in each year, provided conversion under (c) below is not triggered.
- (2) The conversion price to the shares of the Company under terms of the Convertible Bonds was amended to HK\$1.65 per share (the **“Amended Conversion Price”**) from the conversion price of HK\$6.68 per share immediately before the amendment.
- (3) A right of mandatory conversion of the Convertible Bonds when the volume-weighted average price of the Company’s shares for at least 20 trading days (whether or not consecutive) out of any 30 consecutive trading days is at least 130% of the Amended Conversion Price, at any time after 1 March 2023 and prior to the maturity date of 27 December 2024.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (b) Repurchase of and amendments to the Convertible Bonds (Continued)

- (4) Waivers were granted with respect to the consequences of the Events of Default as stipulated in the Trust Deed, including immediate repayment of the principal and interest amounts and payment of default interests.

On 30 January 2023, the Company mandatorily redeemed Convertible Bonds with principal amounts of HK\$500,000,000 at a total consideration of HK\$501,200,000 (equivalent to RMB433,487,000) with the Group's funding held outside mainland China as mentioned above.

As mentioned above certain terms and conditions of the remaining Convertible Bonds were amended pursuant to a Supplemental Trust Deed signed between the Company and the remaining Bondholders on 19 January 2023, such amendments constitute substantial modifications based on the relevant requirements under IFRS. Accordingly, the original financial liabilities related to the Convertible Bonds before the amendments are distinguished whereas the new financial liabilities under the revised terms and conditions are recognised at fair value, with the difference recognised in the profit or loss, resulted in an other loss of approximately RMB6,781,000. The accumulated changes in the fair value of the original Convertible Bonds attributable to changes in own credit risks included in other comprehensive income is transferred to the retained earnings. As the Convertible Bonds with a remaining outstanding aggregate principal amount of HK\$974,000,000 will be fully repayable on 27 December 2024, it was reclassified as non-current liability as at 31 August 2023 and it was classified as current liability as at 31 August 2024, respectively.

#### (c) Settlements of the Convertible Bonds

On 20 September 2024, the Company repurchased and cancelled a portion of the Convertible Bonds with principal amounts of HK\$60,131,614 from certain bondholders at a total consideration of HK\$32,471,000 (equivalent to RMB29,438,000), resulted in other gain of HK\$18,673,000 (equivalent to RMB16,928,000). After such repurchase, the outstanding principal amount of the Convertible Bonds was reduced to approximately HK\$913,868,386.

On 27 December 2024, the Company and the bondholders representing no less than 75% of the outstanding principal amount of the Convertible Bonds, entered into a standstill agreement (the “**Standstill Agreement**”), in connection with the agreements of certain waivers and amendments to the terms and conditions governing the Convertible Bonds. On the same day, the Company paid the outstanding interest if the Convertible Bonds of HK\$4.2 million (equivalent to RMB3.9 million).



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (c) Settlements of the Convertible Bonds (Continued)

On 10 February 2025, an extraordinary resolution (the “**Extraordinary Resolution**”) among all bondholders was held, and the Extraordinary Resolution was passed by the requisite bondholders. Therefore, such waivers and amendments became effective and binding on all bondholders. The details of aforesaid waivers and amendments are set out as below:

- (1) Waivers were granted with respect to, among others, (i) immediate redemption of the Convertible Bonds as a result of suspension of trading of the shares of the Company for a consecutive period of over 20 consecutive trading days from 2 December 2024; and (ii) default interests as stipulated in the Convertible Bonds agreement dated 19 January 2023 thereon as a result of (i) and the Company did not redeem the Convertible Bonds on the maturity date of 27 December 2024.
- (2) On the fifth business day after the passing of the Extraordinary Resolution, redeem HK\$430,000,000 (equivalent to RMB397,921,000) on a pro rata basis in aggregate principal amount of the Convertible Bonds, at their principal amount.
- (3) The conversion price to the shares of the Company under terms of the Convertible Bonds was reset to HK\$0.733 per share from HK\$1.65 per share. The maturity date of the Convertible Bonds was extended from 27 December 2024 to the tenth business day after resumption of trading of the shares of the Company, and on that day the Company is required to mandatorily convert the remaining principal amounted of approximately HK\$483,868,386 on a pro rata basis into the fixed 660,120,581 shares of the Company at the aforesaid revised conversion price of HK\$0.733 per share.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (c) Settlements of the Convertible Bonds (Continued)

- (4) The Company shall, (i) as soon as practicable and within ten business days after the Company's next annual general meeting and in any event no later than 31 May 2025, issue 182,000,000 warrants to the bondholders who voted in favor of the Extraordinary Resolution on a pro rata basis, the number of warrants to each bondholder being the portion of the Convertible Bonds held by such bondholder as a percentage of the aggregate outstanding principal amount of the Convertible Bonds that voted in favor of the Extraordinary Resolution, each warrant entitles the holder the right to buy one share of the Company at a fixed price of HK\$0.5 and it can be exercised at any time during the exercise period which is within three years after the date of issuance; or (ii) within two business days after 31 May 2025, pay HK\$70,500,000 in cash to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants, in the event that the Company has not issued the warrants by 31 May 2025 or if the ordinary resolution for the issuance of the warrants failed to pass in the Company's next annual general meeting (whichever earlier), provided that, in the event that the failure of the issuance of the warrants is not within the Li Family's control (as defined in the Extraordinary Resolution), the Company and the bondholders shall negotiate for a solution within a period of one month, and if such negotiation fails, the Company shall pay HK\$70,500,000 in cash to bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants no later than one month after 31 May 2025.

On 31 December 2024 and 2 January 2025, the Company deposited amounts totaling HK\$430,000,000 into an escrow bank account in Hong Kong in accordance with the Standstill Agreement for the purpose of redemption on the fifth business day after the passing of the Extraordinary Resolution as mentioned above in (c)(2).

In accordance with the Extraordinary Resolution, the Company:

- (1) completed the redemption and paid HK\$430,000,000 to the bondholders from the escrow bank account on the fifth business day after the passing of the Extraordinary Resolution;
- (2) issued the required shares as mentioned above in (c)(3) under the general mandate passed as an ordinary resolution in the Company's previous annual general meeting held on 29 January 2024, on 14 March 2025, the tenth business day after the resumption of trading of the shares of the Company; and

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 17 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (c) Settlements of the Convertible Bonds (Continued)

- (3) will issue the required warrants as mentioned above in (c)(4) through passing of an ordinary resolution in the forthcoming annual general meeting of the Company, and this ordinary resolution requires a simple majority of more than 50% of votes cast in favor to be approved; or pay HK\$70,500,000 to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants as mentioned above in (c)(4). In accordance with the Standstill Agreement, the relevant holders of the Convertible Bonds have undertaken to collectively hold at least 400,000,000 out of the 660,120,581 shares of the Company as mentioned in (c)(3) above until the earlier of 31 May 2025 or the next annual general meeting of the Company. The Directors of the Company are in reasonable belief that the ordinary resolution to issue the required warrants will be passed.

Based on the above and in accordance with relevant requirements of IFRS, on 10 February 2025, the date when the Extraordinary Resolution was passed, the Convertible Bonds recognised as financial liabilities at fair value through profit or loss were derecognised. The difference between the fair value of the Convertible Bonds and the consideration paid was recognised in the profit or loss. The accumulated amount of changes in the fair value of the Convertible Bonds attributable to the changes in the credit risk presented in other comprehensive income was transferred to retained earnings. Shares to be issued were recognised initially as equity instruments at fair value. The warrants to be issued were recognised initially as financial liabilities at fair value through profit or loss.

Based on the Company's latest share price of HK\$0.37 before its suspension of trading on 29 November 2024, recent price trends of comparable companies and other relevant assumptions on 10 February 2025, the date when the Extraordinary Resolution was passed: (i) fair value of the shares was amounted to approximately HK\$250,408,000 (equivalent to RMB230,510,000); (ii) fair value of the warrants was amounted to approximately HK\$20,745,000 (equivalent to RMB19,097,000); (iii) other loss amounted to approximately HK\$19,635,000 (equivalent to RMB18,075,000) was recognised; and (iv) accumulated amount of changes in the fair value of the Convertible Bonds attributable to the changes in the credit risk presented in other comprehensive income amounted to approximately HK\$383,574,000 (equivalent to RMB353,095,000) was transferred to retained earnings.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 18 COMMITMENTS

#### Capital commitments

The following is the details of capital expenditure contracted but not provided for in the consolidated financial statements.

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Construction project of a new campus	364,006	437,888

### 19 DEFERRED INCOME TAX ASSETS AND LIABILITIES

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

#### (a) Deferred income tax assets

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Year ended 31 August 2024 RMB'000 (Audited)
<b>As at beginning of the period</b>	<b>16,422</b>	16,867
Charged to profit or loss (Note 9)	(1,476)	(445)
— Continuing operations	(942)	3,164
— Discontinued operations (Note 22)	(534)	(3,609)
Disposal of subsidiaries (Note 22)	(12,724)	—
<b>As at end of the period</b>	<b>2,222</b>	16,422

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 19 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

#### (b) Deferred income tax liabilities

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Year ended 31 August 2024 RMB'000 (Audited)
<b>As at beginning of the period</b>	<b>(492,290)</b>	(502,022)
Credited to profit or loss (Note 9)	4,688	9,732
— Continuing operations	4,688	9,732
— Discontinued operations (Note 22)	—	—
Disposal of subsidiaries (Note 22)	44,158	—
<b>As at end of the period</b>	<b>(443,444)</b>	(492,290)

#### (c) Deferred tax assets and liabilities after offset are listed as below:

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Year ended 31 August 2024 RMB'000 (Audited)
<b>As at beginning of the period</b>	<b>(475,868)</b>	(485,155)
Credited to profit or loss (Note 9)	3,212	9,287
— Continuing operations	3,746	12,896
— Discontinued operations (Note 22)	(534)	(3,609)
Disposal of subsidiaries (Note 22)	31,434	—
<b>As at end of the period</b>	<b>(441,222)</b>	(475,868)

### 20 DIVIDENDS

The Board did not recommend an interim dividend for the period ended 28 February 2025 (2024: Nil).

### 21 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or joint control.

The Controlling Shareholder, members of key management and their close family members of the Group are also considered as related parties. In the opinion of the Directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 21 RELATED PARTY TRANSACTIONS (Continued)

Name and relationship with related parties:

Names of the related parties	Nature of relationship
Mr. Li Guangyu	The Controlling Shareholder
Ms. Li Hua	The daughter of the Controlling Shareholder and Chief Executive Officer of the Company
Zhengzhou Corn Culture Communication Co., Ltd.	A company controlled by Ms. Li Hua
Ms. Liu Chunhua	The spouse of Mr. Li Guangyu

#### (a) Transactions with related parties

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
<b>Lease expenses of office building:</b>		
— Zhengzhou Corn Culture Communication Co., Ltd.	192	192
— Ms. Liu Chunhua	89	89
— Ms. Li Hua	77	77
	<b>358</b>	<b>358</b>

#### (b) Balances with related parties

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
<b>Amounts due to related parties</b>		
— The Affected Business upon deconsolidation	594,030	594,030
— The Controlling Shareholder	9,537	9,371
— Zhengzhou Corn Culture Communication Co., Ltd.	3,256	3,064
	<b>606,823</b>	<b>606,465</b>

As at 28 February 2025, all balances with the Controlling Shareholder and the related companies are non-interest bearing. All balances with the Controlling Shareholder and related parties are unsecured.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 21 RELATED PARTY TRANSACTIONS (Continued)

#### (c) Key management compensation

Key management includes executive directors and senior managements who have important role in making operational and financial decisions.

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Wages, salaries and bonuses	3,058	3,195
Contributions to pension plans	112	119
Welfare and other expenses	109	114
Share-based compensation	506	586
	3,785	4,014

### 22 DISPOSAL OF SUBSIDIARIES IN THE THAILAND

On 27 December 2024, one of the Company's wholly owned subsidiaries, China YuHua Education Investment Limited, a company incorporated in the British Virgin Islands with limited liability (the "**Seller**"), and Mr. Xin Yu, a third party individual (the "**Purchaser**"), entered into an acquisition agreement, pursuant to which, the Seller decided to sell and the Purchaser agreed to purchase: (i) 100% of the issued and outstanding ordinary shares of Thai Education Holdings Co., Ltd. ("**TEDCO**"), which owned approximately 92.8750% of the issued and outstanding share capital of Fareast Stamford International Co., Ltd. ("**FES**"); and (ii) 7.1249% of the issued and outstanding share capital of FES with a total consideration of HK\$240,000,000. As at 28 February 2025, the Group had received part of the total consideration amount of HK\$194,000,000 (equivalent to RMB178,984,000) in advance, and necessary procedures in related with the transfer of control were in progress.

Based on the above, the directors classified the Group's Thailand operations which were from TEDCO and its subsidiaries as discontinued operations and the results of the discontinued operations were presented separately in the interim condensed consolidated statement of profit or loss for the six months ended 28 February 2025. The comparative information relating to the discontinued operations has been re-presented to conform to the current period's presentation. As at 28 February 2025, the directors classified the assets and liabilities of TEDCO and its subsidiaries under held for sale assets and held for sale liabilities separately in the interim condensed consolidated balance sheet.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 22 DISPOSAL OF SUBSIDIARIES IN THE THAILAND (Continued)

The assets and liabilities relating to the discontinued operations as at 28 February 2025 were set out as below:

	As at 28 February 2025 RMB'000
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	98,715
Intangible assets	58,355
Right-of-use assets	111,181
Other non-current assets	3,580
<b>Total non-current assets</b>	<b>271,831</b>
<b>Current assets</b>	
Trade and other receivables	7,983
Cash and cash equivalents	102,081
<b>Total current assets</b>	<b>110,064</b>
<b>Total assets of the disposal group held for sale</b>	<b>381,895</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Lease liabilities	1,130
Deferred income tax liabilities	31,434
<b>Total non-current liabilities</b>	<b>32,564</b>
<b>Current liabilities</b>	
Accruals and other payables	199,715
Contract liabilities	39,439
Lease liabilities	876
<b>Total current liabilities</b>	<b>240,030</b>
<b>Total liabilities of the disposal group held for sale</b>	<b>272,594</b>
<b>Net assets of the disposal group held for sale</b>	<b>109,301</b>



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)

### 22 DISPOSAL OF SUBSIDIARIES IN THE THAILAND (Continued)

The financial performance relating to the discontinued operations for the six months ended 28 February 2025 and 29 February 2024 were set out as below:

	Six months ended 28 February 2025 RMB'000	Six months ended 29 February 2024 RMB'000
<b>Revenue</b>	<b>64,062</b>	61,511
Cost of revenue	(31,495)	(27,304)
<b>Gross profit</b>	<b>32,567</b>	34,207
Selling expenses	(3,662)	(3,469)
Administrative expenses	(12,888)	(9,836)
<b>Operating profit</b>	<b>16,017</b>	20,902
Finance income	1,444	316
Finance expenses	(79)	(1,920)
Finance income-net	1,365	(1,604)
<b>Profit before income tax</b>	<b>17,382</b>	19,298
Income taxation	(534)	(19)
<b>Profit for the period from discontinued operations</b>	<b>16,848</b>	19,279
<b>Other comprehensive income</b>		
Currency translation differences	3,172	(3,796)
<b>Other comprehensive income for the period, net of tax</b>	<b>3,172</b>	(3,796)
<b>Total comprehensive income for the period from discontinued operations</b>	<b>20,020</b>	15,483

### 23 SUBSEQUENT EVENT

There is no significant event occurred subsequent to 28 February 2025 and up to the date of approval of this interim condensed consolidated financial information.

## DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Baikal Lake Investment”	Baikal Lake Investment Holdings Limited, a company incorporated in the BVI with limited liability on 29 August 2016 and the sole shareholder of GuangYu Investment and one of the Controlling Shareholders
“Board” or “Board of Directors”	the board of directors of the Company
“Bonds”	convertible bonds with an aggregate principal amount of HK\$2,088 million in 0.90% due in 2024 issued by the Company in 2019 (in which the listing on the Stock Exchange was withdrawn on 27 December 2024)
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China and, except where the context requires otherwise and only for the purposes of this interim report, references to China or the PRC exclude Hong Kong, Macau and Taiwan; the term “Chinese” has a similar meaning
“Company”, “the Company” or “our “Company”	China YuHua Education Corporation Limited (中国宇华教育集团有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 25 April 2016
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Li, Baikal Lake Investment and/or GuangYu Investment
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended from time to time
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time

## DEFINITIONS (Continued)

“GuangYu Investment”	GuangYu Investment Holdings Limited, a company incorporated in the BVI with limited liability on 21 March 2016 and a Controlling Shareholder of the Company
“HIEU Schools”	Hunan International Economics University (湖南涉外經濟學院), Hunan Lie Ying Mechanic School (湖南獵鷹技工學校) and Hunan International Economics University Vocational Skills Training Centre (湖南涉外經濟學院職業技能培訓中心)
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Implementation Opinions”	the Implementation Opinions on Encouraging and Guiding Private Fund’s Entry into the Education Sector and Promoting Healthy Development of Private Education (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) promulgated by the Ministry of Education on 18 June 2012
“IPO”	initial public offering of the Shares on 16 February 2017
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on 28 February 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended from time to time
“Mr. Li”	Mr. Li Guangyu (李光宇), a PRC citizen and the founder, executive Director and chairman of the Board of the Company

## DEFINITIONS (Continued)

“Ms. Li”	Ms. Li Hua (李花), a PRC citizen and the daughter of Mr. Li. Ms. Li is also an executive Director, the chief executive officer and the vice chairman of the Board of the Company
“Nomination Committee”	the nomination committee of the Company
“PRC Holdcos”	YuHua Investment Management, Zhengzhou YuHua Education Investments and Zhengzhou Zhongmei Education Investments
“Pre-IPO Share Option Scheme”	the share option scheme effective from 1 September 2016, the principal terms of which are set out in the section headed “Statutory and General Information — D. Pre-IPO Share Option Scheme and Share Award Scheme — 1. Pre-IPO Share Option Scheme” in Appendix V to the Prospectus
“Prospectus”	the prospectus of the Company published on 16 February 2017 in connection with the IPO and the Listing
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the six months ended 28 February 2025
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the Company
“Share Award Scheme”	the share award scheme approved and adopted by the sole shareholder of the Company on 8 February 2017, the principal terms of which are set out in the section headed “Statutory and General Information — D. Pre-IPO Share Option Scheme and Share Award Scheme — 2. Share Award Scheme” in Appendix V to the Prospectus
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS (Continued)

“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“YuHua Investment Management”	YuHua Investment Management Co., Ltd. (宇華投資管理有限公司), a limited liability company established in the PRC on 23 November 1993 and one of the PRC Holdcos
“Zhengzhou YuHua Education Investments”	Zhengzhou YuHua Education Investments Co., Ltd. (鄭州宇華教育投資有限公司), a limited liability company established in the PRC on 9 April 2004 and one of the PRC Holdcos
“Zhengzhou Zhongmei Education Investments”	Zhengzhou Zhongmei Education Investments Co., Ltd. (鄭州中美教育投資有限公司), a limited liability company established in the PRC on 21 July 2011 and one of the PRC Holdcos
“%”	percent

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