

# 立德教育股份有限公司

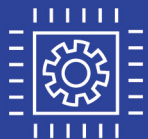
## Leader Education Limited

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

Stock Code: 1449



### 2025 INTERIM REPORT



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Liu Laixiang  
*(Chairman and Chief Executive Officer)*  
Ms. Dong Ling  
Mr. Wang Yunfu  
Mr. Che Wenge

#### Independent Non-Executive Directors

Mr. Zhang Su  
Mr. Cao Shaoshan  
Mr. Chan Ngai Fan

### AUTHORISED REPRESENTATIVES

Mr. Liu Laixiang  
Mr. Chang Eric Jackson

### COMPANY SECRETARY

Mr. Chang Eric Jackson

### AUDIT COMMITTEE

Mr. Chan Ngai Fan *(Chairman)*  
Mr. Zhang Su  
Mr. Cao Shaoshan

### REMUNERATION COMMITTEE

Mr. Zhang Su *(Chairman)*  
Mr. Liu Laixiang  
Mr. Cao Shaoshan

### NOMINATION COMMITTEE

Mr. Liu Laixiang *(Chairman)*  
Mr. Zhang Su  
Mr. Cao Shaoshan

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
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Grand Cayman, KY1-1111  
Cayman Islands  
Hutchins Drive

### HEAD OFFICE IN PRC

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Harbin City  
Heilongjiang Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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41-43 Carnarvon Road  
Tsimshatsui  
Kowloon, Hong Kong



## CORPORATE INFORMATION

### AUDITOR

BDO Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
25/F, Wing On Centre  
111 Connaught Road Central  
Hong Kong

### LEGAL ADVISORS AS TO HONG KONG LAW

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15 Queen's Road Central  
Hong Kong

### CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive, PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China  
(Harbin City, Jingyu Branch)  
No. 41, Bei Shi Liu Dao Jie  
Daowai District  
Harbin City  
Heilongjiang Province  
PRC

Harbin Bank Co., Ltd. (Songbei Branch)  
No. 500, Shimao Da Dao  
Songbei District  
Harbin City, Heilongjiang Province  
PRC

### STOCK CODE

1449

### COMPANY WEBSITE

[www.leader-education.cn](http://www.leader-education.cn)



## FINANCIAL HIGHLIGHTS

	Six months ended 28 February 2025 RMB'000	Six months ended 29 February 2024 RMB'000	Percentage change
Revenue	172,191	170,764	+0.8%
Gross profit	57,296	64,883	-11.7%
Profit for the period	24,219	28,568	-15.2%

For the six months ended 28 February 2025, our total revenue amounted to approximately RMB172.2 million, representing an increase of approximately 0.8% as compared with the six months ended 29 February 2024. Our profit for the six months ended 28 February 2025 amounted to approximately RMB24.2 million, representing a decrease of approximately 15.2% as compared with the six months ended 29 February 2024.

As at 28 February 2025, we had a total of 11,909 full-time students, representing an decrease of approximately 0.3% as compared with the number of students enrolled in the school year 2023/2024; and our average tuition fees for our undergraduate college programs remained constant for the six months ended 28 February 2025, as compared with the six months ended 29 February 2024.





## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group derives its revenue from the tuition fees and boarding fees that the Group collects from its students.

Revenue increased by RMB1.4 million or 0.8% from RMB170.8 million for the six months ended 29 February 2024 to RMB172.2 million for the six months ended 28 February 2025. The increase was mainly due to the following reasons: (i) revenue from tuition fees has decreased by RMB62,000 from RMB159.0 million for the six months ended 29 February 2024 to RMB158.9 million for the six months ended 28 February 2025; and (ii) revenue from boarding fees has increased by RMB1.5 million or 12.7% from RMB11.8 million for the six months ended 29 February 2024 to RMB13.3 million for the six months ended 28 February 2025. For the 2024/25 school year, the tuition fee standards are RMB25,800 per year for engineering major, RMB24,800 per year for liberal arts majors and RMB27,800 per year for art majors respectively. The tuition fee standards for the 2024/25 school year remained constant from the standards for the 2023/24 school year. The boarding fee rate for the 2024/25 school year is in the range of RMB1,700 to RMB2,400 per year (2023/24 school years: RMB1,900 to RMB2,400 per year). The total number of students enrolled has decreased from 11,941 for the 2023/24 school year to 11,909 for the 2024/25 school year which leads to decrease in tuition fees.

#### Cost of Sales

Cost of sales primarily consists of remunerations and benefits of our employees, depreciation and amortisation, heating costs, training expenses, maintenance costs, teaching expenses and utilities, as well as property management cost, cleaning and greenery fees, travel expenses, office expenses, student activity costs and others.

Cost of sales increased by RMB9.0 million or 8.5% from RMB105.9 million for the six months ended 29 February 2024 to RMB114.9 million for the six months ended 28 February 2025. The increase was mainly due to: (i) incur large central heating costs of RMB6.2 million due to winter; (ii) incur in maintenance costs of RMB13.3 million, mainly due to more maintenance on campus buildings occurred during the Period; (iii) student activity costs of RMB2.6 million, mainly due to the student activity costs related to the project of ice and snow theme occurred during the Period and no such costs occurred in the Previous Period and the cost of student research has incurred by RMB5.7 million; (iv) entrusting third-party enterprises to carry out student internship and training expenses of RMB6.7 million occurred during the Period and no such costs occurred in the Previous Period; and (v) other costs of sales increased due to the increase of teacher training for catering the need of developing the teaching level of school.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross Profits and Gross Profits Margin

Gross profits margin represents the percentage of gross profits to the revenue of the Group.

Gross profits decreased by RMB7.6 million or 11.7% from RMB64.9 million for the six months ended 29 February 2024 to RMB57.3 million for the six months ended 28 February 2025, mainly due to fact that the growth of revenue was lower than that of corresponding cost. Gross profits margin has decreased from 38.0% for the six months ended 29 February 2024 to 33.3% for the six months ended 28 February 2025. The increase in boarding fees resulted in a 0.8% increase in revenue. However, in order to meet the qualification evaluation of undergraduate teaching work during the Period, the Group incurred expenses for (i) constructing and maintaining campus buildings and teaching facilities; and (ii) organising student activities and teacher trainings. The combined effects of the abovementioned factors led to the decrease in gross profits margin.

### Other Income and Gains

Other income and gains consist primarily of bank interest income, rental income, and government grants.

With respect to other income and gains, the amount for the six months ended 28 February 2025 decreased by RMB0.3 million as compared to the amount for six months ended 29 February 2024, which was mainly due to the increase in rental income of RMB0.7 million, the increase in others of RMB3.3 million and the decrease in government grants of RMB3.8 million.

### Selling Expenses

Selling expenses primarily consist of promotion expenses and admission expenses of different majors and the remunerations of personnel of our admission office.

The selling expenses for the six months ended 28 February 2025 increased by RMB0.2 million as compared to the six months ended 29 February 2024, mainly due to the increase of the frequency of promotional activities outside the province.

### Administrative Expenses

Administrative expenses consist of administrative staff's salaries costs, depreciation and amortisation, consultation fee, travel expenses incurred by our administrative staff for business trips and for running errands, heating costs, entertainment costs and others.

Administrative expenses increased by RMB1.5 million or 7.7% from RMB19.5 million for the six months ended 29 February 2024 to RMB21.0 million for the six months ended 28 February 2025, mainly due to the increase of consultation fee and other professional services costs, which mainly represented DA financing advisory, enterprise management service and attorney's fee.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance Costs

Finance costs primarily consist of (i) interest on bank loans and other borrowings; and (ii) interest on sale and leaseback liabilities.

Finance costs decreased from RMB19.6 million for the six months ended 29 February 2024 to RMB19.0 million for the six months ended 28 February 2025. The interest expenses decreased by approximately RMB6.5 million from approximately RMB33.5 million for the six months ended 29 February 2024 to approximately RMB27.0 million for the six months ended 28 February 2025. During the six months ended 28 February 2025, among all interest expenses, a total amount of RMB19.0 million (six months ended 29 February 2024: RMB19.6 million) was not capitalised, which were related to (among others) the borrowings from certain banks in China consisted of other borrowings and sale and leaseback liabilities which were mainly used for daily working capital or purposes not related to construction of property, plant and equipment.

During the year ended 28 February 2025, among all interest expenses, an amount of RMB8.1 million was capitalised, which were related to (among others): (a) borrowings from certain banks in China which were mainly used for the construction of Quanren School and Junhua Secondary Vocational, and (b) sale and leaseback liabilities from certain finance lease companies in China which were mainly used for the construction of property, plant and equipment in Hanan Campus.

### Income Tax Expenses

During the six months ended 28 February 2025, the Group recorded no income tax expense (six months ended 29 February 2024: RMB Nil).

### Profit for the Period

Due to the combined effects of aforementioned factors, the Group recorded a profit of RMB24.2 million for the six months ended 28 February 2025, representing an decreased of approximately 15.4% as compared to RMB28.6 million for the six months ended 29 February 2024.

### Property, Plant and Equipment

As at 28 February 2025, the Group's property, plant and equipment amounted to approximately RMB1,917.1 million, representing an increase of RMB12.0 million from approximately RMB1,905.1 million as at 31 August 2024. The increase was mainly due to the increase of construction in progress of Quanren School and Junhua Secondary Vocational, and the increase of buildings and others for daily operation in connection with the use of Hanan Campus, Quanren School and Junhua Secondary Vocational.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Working Capital Sufficiency

Despite the fact that we have recorded net current liabilities positions as at 28 February 2025, our Directors are of the view that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of this interim report, based on the following considerations:

- we have been accumulating net profits;
- we expect to generate cash flow from our operations with payment of tuition fees by our students in the upcoming 2025/2026 school year; and
- as at the date of this interim report, we had unutilised facilities of RMB120.2 million and historically we have been able to obtain external financings and do not foresee any impediment to do so in the future if such need arises.

Our future working capital requirements will depend on a number of factors, including, but not limited to, our operating income, the size of our school operation, constructing new school campus, maintaining and upgrading existing school facilities, purchasing additional educational equipment for our schools and hiring additional teachers and other staff. Going forward, we believe that our working capital requirements will be satisfied by cash generated from our operations, bank loans and other borrowings, and other funds raised from the capital markets as and when appropriate from time to time.

### Liquidity and Capital Resources

As at 28 February 2025, the Group's cash and cash equivalents were approximately RMB178.2 million, as compared with approximately RMB345.4 million as at 31 August 2024.

As at 28 February 2025, the Group's bank and other borrowings and interest accruals amounted to approximately RMB1,175.5 million (as at 31 August 2024: RMB1,218.6 million), which were denominated in Renminbi. As at 28 February 2025, our bank and other borrowings borne effective interest rates ranged from 4.00% to 15.14% per annum (as at 31 August 2024: 3.50%–15.14%).

### Gearing Ratio

As at 28 February 2025, our gearing ratio, which was calculated as total debt (including all interest-bearing bank loans and other borrowing) divided by total equity, was approximately 1.2, which remained constant as compared with at 31 August 2024 which was approximately 1.3.

### Capital Expenditures

Capital expenditures during the Period were primarily related to the addition of leasehold land of Hanan Campus and Quanren School, and the construction of Heilongjiang College of Business and Technology premises of Hanan Campus, Quanren School and Junhua Secondary Vocational, maintaining and upgrading existing school premises and purchasing additional educational facilities and equipment for our schools. For the six months ended 28 February 2025, the Group's capital expenditures were RMB79.1 million (six months ended 29 February 2024: RMB38.2 million).



## MANAGEMENT DISCUSSION AND ANALYSIS

### Capital Commitments

As at 28 February 2025, the Group had contracted but not provided for capital commitments of approximately RMB264.1 million (as at 31 August 2024: RMB148.1 million), which were primarily related to the acquisition of property, plant and equipment.

### Contingent Liabilities

As at 28 February 2025, the Group had no significant contingent liabilities.

### Foreign Exchange Risk Management

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. During the six months ended 28 February 2025, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. The Group did not enter into any financial instrument for hedging purpose.

### Significant Investments, Acquisitions and Disposals

During the Period, there were no significant investments held nor other material acquisitions and disposals of subsidiaries, associates and joint ventures.

### Pledge of Assets

As at 28 February 2025, the Group's sale and leaseback liabilities of approximately RMB656.8 million (as at 31 August 2024: RMB585.3 million) were guaranteed by the Group's total fixed assets of approximately RMB243.5 million (as at 31 August 2024: RMB123.4 million).

## BUSINESS REVIEW

### Overview

During the Period, the Group operated Heilongjiang College of Business and Technology in Harbin City, Heilongjiang Province. Heilongjiang College of Business and Technology is divided into two campuses, namely Songbei Campus and Hanan Campus.

In addition, the Group acquired a lot of 86,056 sq.m. in Hai'an City, Jiangsu Province in January 2021 to build the Yangtze River Delta Industry-Education Integration Base with a floor area of 56,000 sq.m. and a planned total investment of RMB220 million. The construction commenced in 2022 and is expected to be completed and put into use at the end of 2025.

On 8 December 2023, we established Nantong Junhua Secondary Vocational School Co., Ltd.\* (南通峻華中等職業學校有限公司) in Hai'an City, Jiangsu Province, which now has commenced its first enrollment and has been put into operation.



## MANAGEMENT DISCUSSION AND ANALYSIS

On 10 October 2023, we established Tianjin Quanren Vocational Secondary School Co., Ltd.\* (天津全人職業中等專業學校有限公司) in Baodi District, Tianjin with a successive acquisition of lot of 224,667 sq.m. Currently, the gross floor area of the first phase of the construction is 26,649.29 sq.m. The construction was completed on 29 August 2024 and has been put into use. The planned floor area of the second phase of the construction is 30,857.11 sq.m. It is under construction and is scheduled to be completed and put into use at the end of 2025. It has a planned total investment of RMB400 million with an investment of RMB260 million having been made.

As of 28 February 2025, Heilongjiang College of Business and Technology occupied an aggregated gross site area of approximately 637,898.04 sq.m. and gross floor area of 343,647.23 sq.m., with total property, plant and equipment value of RMB1,917.1 million.

As of 28 February 2025, Heilongjiang College of Business and Technology had 688 teachers, and 11,909 full-time students enrolled in bachelor's degree program. The table below sets out the statistics of student enrollment in the past three school years (excluding students who subsequently withdrew during the respective school years):

School years	Number of students
2022/2023	11,023
2023/2024	11,941
2024/2025	11,909

As of 28 February 2025, the utilisation rate of Heilongjiang College of Business and Technology was 85.23% (as of 28 February 2024: 85.46%), which was calculated by dividing the number of students enrolled in the bachelor's degree program by the maximum student capacity for the current school year of 13,972.

Heilongjiang College of Business and Technology offers 26 undergraduate majors in 2024/25 school year, including 11 in engineering, 5 in management, 3 in economics, 2 in literature and 5 in art.

In the 2024/2025 school year, the average tuition fee and boarding fee of Heilongjiang College of Business and Technology were RMB25,750 and RMB2,217, respectively, representing an increase of 3.85% and a decrease of 1.42% from the average tuition fee and boarding fee of RMB24,796 and RMB2,249 in the 2023/2024 school year.

During the reporting period, Heilongjiang College of Business and Technology took “cultivating people with virtue, fostering high-quality application-oriented talents, serving the society, and running a school satisfactory to the people” as its educational purpose; it also adhered to the operating philosophy of “education-oriented, quality based, school-enterprise integration, and development with innovation” to continuously exert increasing efforts on the construction of various majors and courses, take the construction requirements for new engineering and new business disciplines as the standards, and optimise the construction and layout adjustment of disciplines and majors, as well as the training program and curriculum system in line with the actual development of Heilongjiang College of Business and Technology in order to enrich curriculum resources, strengthen practical teaching, constantly enhance the establishment of teaching faculty and comprehensively improve the quality of application-oriented talents cultivated.



## MANAGEMENT DISCUSSION AND ANALYSIS

During 2024, Heilongjiang College of Business and Technology initiated undergraduate teaching qualification assessment. Adhering to its application-oriented positioning, Heilongjiang College of Business and Technology established a cultivation framework for application-oriented talents characterized by “student-centered approach, employment-oriented guidance, individualized teaching, competency-based education, integration of learning and practice, and comprehensive development”. With reference to the assessment indicator system, Heilongjiang College of Business and Technology actively explored the organic development of application-oriented undergraduate education, established strategic plans and implemented targeted policies. Heilongjiang College of Business and Technology completed all assessment-related tasks with high standards, received high praise from assessment experts and successfully passed the undergraduate teaching qualification assessment conducted by the Ministry of Education.

**Heilongjiang College of Business and Technology has solidly advanced curriculum development.** In accordance with its first-class curriculum development standards, Heilongjiang College of Business and Technology completed the inspection and acceptance of 21 school-level first-class curriculums in two batches. It selected and recommended 11 provincial-level industry-education integration cultivation curriculums, laying a foundation for comprehensively advancing integrated industry-education curriculum development. Significant progress has been made in curriculum resource development. Heilongjiang College of Business and Technology currently offers 1,322 courses in total, including 59 compulsory public courses, 244 optional public courses, 860 specialized courses, and 159 intensive practical teaching modules.

**Outstanding results have been achieved in textbook construction.** Adhering to the principle of “selecting the best, applicable and advanced one”, Heilongjiang College of Business and Technology insisted on using national uniformly compiled textbooks for ideological and political theory courses; giving priority to award-winning textbooks and national planning textbooks for public courses; and selecting high-quality textbooks reflecting new knowledge and new technology for professional courses. In 2024, 53.22% of textbooks selected were national and provincial-level excellent textbooks, and 47.59% of the textbooks selected were published in the past three years. Four self-written textbooks were published, and 25 school-based textbooks in the first batch of approved and initiated projects were completed, with a total of 13,067 copies distributed.

**Practical teachings were carried out in an orderly manner.** All colleges actively carried out student internships in the form of professional cognition, professional visits, social practice, etc. A total of more than 3,000 students went to more than 20 enterprises in Heilongjiang, Jiangsu, Hebei, etc. to complete professional internships; more than 5,000 students completed their study and practice in Harbin, Daqing, etc.; more than 1,600 students carried out ice and snow special sports activities in Yabuli.

**Numerous awards were received in the disciplinary competitions and entrepreneurship and innovation competitions.** In 2024, our students participated in entrepreneurship and innovation competitions at provincial level and above and won 151 awards, including 40 awards at national level, 111 awards at provincial level; participated in disciplinary competitions and won 335 awards, including 23 awards at national level and 312 awards at provincial level, and Heilongjiang College of Business and Technology rewarded RMB393,200 in total in disciplinary and entrepreneurship and innovation competitions. Heilongjiang College of Business and Technology set up 326 entrepreneurship and innovation projects at school level, where 474 teachers served as instructors and 1,061 students participated in. Heilongjiang College of Business and Technology has set up funds for innovation and entrepreneurship projects to support college students for their entrepreneurship and innovation projects, and invested RMB612,000 to support the establishment of the projects.



## MANAGEMENT DISCUSSION AND ANALYSIS

**New achievements were made in the building of the faculty team.** The introduction of faculty team advanced steadily, our title evaluation system was improved, and therefore our title structure of faculty was optimised. Our focus on teacher training continued to contribute to higher education and teaching level among faculty. In 2024, Heilongjiang College of Business and Technology organised four title evaluations, including a private college title jointed evaluation in Heilongjiang province, a senior professional title recommended evaluation, a deputy senior and below title evaluation for the faculty series and a title recommended evaluation for the non-faculty series. 120 teachers passed the title evaluation, including 11 senior professors, 24 deputy professors and 72 lecturers. Therefore, there were 38 senior professors, 87 deputy senior professors, and 202 intermediate professors in the faculty title structure. Compared with 2023, the number of senior professors increased by 12, the number of deputy senior professors increased by 26, and the number of intermediate professors increased by 91, such faculty title structure tended to be reasonable.

**Notable achievements were made in teaching competitions.** Our teachers have grown rapidly in teaching practices and won many awards in all kinds of teaching competitions. In 2024, they won one project in the fourth batch of provincial Model Political Education Projects (省課程思政示範項目), three excellent teaching cases in the second batch of provincial Political Education Projects, three third prizes in the Seventh Provincial Young Teachers' Competition, and one first prize and one second prize in the 11th Provincial Micro-teaching Competition. In the 4th Provincial Teaching Innovation Competition, they won 1 first prize, 1 second prize and 4 third prizes.

**Our teaching and research produced fruitful results.** From 2024 to February 2025, our teachers issued 99 academic papers as independent authors, first authors, and corresponding authors, obtained 13 patents and 38 software copyrights, and published 21 textbooks and 18 monographs. A total of 29 vertical research projects at provincial level and above have been approved.

**New achievements were accomplished in the construction of industry academies.** Heilongjiang College of Business and Technology deeply promoted Industry-University-Research Institute Collaboration, constantly explored the good mechanism of integration of industries and education, school-enterprise cooperation, and collaborative education. This year, three industrial colleges were newly established, namely, Seentao Digital Business Industry Academy\* (新道數商產業學院), Chinasoft Technology New Media E-Commerce Industry Academy\* (中軟睿達新媒體電商產業學院) and the Intelligent Manufacturing Industries Institute of Cathay Tat Ming Group (國泰達鳴集團智能製造產業學院), which effectively promoted the deep integration of education chain, talent chain, innovation chain, and industrial chain.

**Student enrollment and employment recorded a new high with notable achievement in the enrollment.** In 2024, Heilongjiang College of Business and Technology enrolled 3,793 students in 22 provinces in China with 24 majors.

**Innovative employment work initiatives were made to promote high-quality and full employment of graduates.** In 2024, Heilongjiang College of Business and Technology invited famous teachers of employment guidance, entrepreneurs and outstanding alumni in and out of the province to hold 24 lectures and reports on employment guidance, and more than 4,200 students engaged; organized 211 campus recruitment activities for the 2024 graduates and 2025 graduates, with 6,793 participating enterprises and 42,870 positions provided. Up to now, there are 3,335 graduates in 2024, and the initial employment rate reaches 87.59%, and 44.08% of students stay in Heilongjiang for career development.



## MANAGEMENT DISCUSSION AND ANALYSIS

A new picture was seen in our campus construction and service guarantee with the vigorous advancement of intelligent campus. From 2024 to February 2025, Heilongjiang College of Business and Technology built “Yun Shang Hei Gong Shang (雲上黑工商)” core platform based on Huawei Cloud WeLink, integrating 12 major business systems, such as teaching affairs, students management, and finance, and realizing “handling all within one network” for campus management. “Yu Ke Tang (雨課堂)” and other teaching platforms have been applied in depth, with more than 70% of teachers teaching with the help of intelligent tools, and the SPOC platform on campus has accumulated 145 course resources, with over 52,000 participants taking such courses annually.

### PROSPECTS

#### I. Implementing the strategy of going global to actively carry out international education

Heilongjiang College of Business and Technology has actively carried out international exchanges and cooperations, participated in the CACIE & Sino-US University Presidents Forum (中國國際教育年會暨中美校長論壇), successfully joined the Association of Sino-Russian Technical Universities (中俄大學聯盟) and the Sino-US “121” Talent Training Plan (中美“121”人才培養計劃); participated in the second China-Korea Education Summit Forum (第二屆中韓教育高峰論壇) and visited Sehan University (世翰大學), Pai Chai University (培才大學) and Mokpo Science University (木浦科技大學) in Korea, and signed a cooperation agreement with Sehan University to promote the implementation of joint undergraduate, master’s and doctoral programs.

#### II. Promoting digital and intelligent transformation of education and teaching

Heilongjiang College of Business and Technology has improved the construction of intelligent campus, actively carried out “digital and intelligent” transformation of education and teaching, and revised the talent training program. And Heilongjiang College of Business and Technology has used the internet, digitalization and intelligence to realize the “digital and intelligent” transformation and development for talent training, focused on the interdisciplinary knowledge learning, strengthened the integration of cutting-edge knowledge and new technologies, focused on information literacy and digital skills training, and strengthened the cultivation of students’ soft skills, so as to realize the enhancement of students’ knowledge transfer ability and practical problem solving ability.

### Market Overview

The Company is a large private formal higher education service provider in Heilongjiang Province, the PRC, ranking top in the private education sector of the province. It has been growing rapidly over the last few years. Since 2021, the Company has successively invested in the establishment of two vocational schools in the Yangtze River Delta and Beijing-Tianjin-Hebei region respectively, forming an education group with four campuses in three places.

As of 28 February 2025, the State had successively issued many policy documents to support and encourage the development of education, including vocational and private education.





## MANAGEMENT DISCUSSION AND ANALYSIS

Policy documents that were published in recent years included the CPS's Overall Plan for Coordinately Advancing the Construction of World-Class Universities and First-class Disciplines, Implementation Plan for the Reform on National Vocational Education, Proposal of the Central Committee of the Communist Party of China and the State Council on Comprehensively Deepening the Reform of Teacher Force Construction in the New Era and China's Education Modernization 2035, which have established the top-level design and strategic deployment for the development of higher education in China.

In particular, a number of favorable policies for private and vocational education have been rolled out since 2021:

In June 2021, the Vocational Education Law of the People's Republic of China (Revised Draft) was submitted to the National People's Congress for deliberation. The draft stated that "vocational education and general education have the same importance" and supported social forces to run schools.

Decree No. 741 of the Implementing Regulations of the Law of the People's Republic of China on the Promotion of Private Education, which came into effect on 1 September 2021, expressly encourages enterprises to organise or participate in organizing private vocational schools through sole proprietorship, joint venture and cooperation in accordance with relevant laws. It also grants all private schools the right to change their sponsors regardless of their nature.

On 26 January 2024, "The Notice of Silver Age Teacher Action Plan in Support of Private Education" promulgated by the General Office of MOE (《教育部辦公廳關於做好銀齡教師支持民辦教育行動實施工作的通知》) stated that "To give full play to the advantages of retired teachers, strengthen the establishment of the private faculty team, and help the high-quality development of private education".

## DEVELOPMENT STRATEGY

### Development Direction and Targets

Heilongjiang College of Business and Technology has firmly established the talent cultivation positioning of "fostering high quality application-oriented talents with a sense of patriotism, service dedication, innovation and entrepreneurship awareness, solid professional knowledge and skills, strong practical ability, great competence and all-round development in ethics, intellect, physique, aesthetics and hardwork"; adhered to the service orientation of "establishing foothold in Heilongjiang in the pursuit of nationwide presence, serving the regional economic and social development"; and defined the development target of "being a provincial first-class, nationally renowned and high-level application-oriented college with distinctive characteristics".



## MANAGEMENT DISCUSSION AND ANALYSIS

### Development Plan

- Firstly: We will establish in-depth cooperation with international education groups to improve the dual education and talent training model
- Secondly: We will invest in vocational education and establish vocational colleges, education groups and school-enterprise integration bases in the Yangtze River Delta and Beijing-Tianjin-Hebei, gradually forming a new schooling model of school-enterprise integration
- Thirdly: We will develop big health-related majors and sub-academies
- Fourthly: We will develop a digital lifelong learning system, and create a “future learning centre” and a website featuring a wide selection of digital education
- Fifthly: We will combine our leading majors with the Belt and Road Initiative, and actively promote education for foreign students

In the future, the Company will develop systematic, multi-tiered and multi-dimensional operation of education services, scale up schooling step by step, and create values for Shareholders.

### Progress of Transforming into a For-profit Private School

In accordance with the Implementation Rules for the Classification and Registration of Private Schools issued by the Ministry of Education and other four agencies and relevant documents, as well as the implementation opinion on “encouraging social forces to engage in education to promote the healthy development of private schools” announced successively in various provinces, Heilongjiang College of Business and Technology has made significant progress in its transformation into a for-profit school, and its application in this regard has been approved by the Ministry of Education. In compliance with relevant documents and policies to be issued by the competent education authorities, Heilongjiang College of Business and Technology will firmly protect the legal rights and interests of students during the three-year transition period, complete the transfer of assets from non-profit to for-profit school, and enforce the property rights of legal entities. It will complete the procedures of credit and debt disposal, and renewal of teachers’ employment contracts and employment affiliation. Heilongjiang College of Business and Technology will improve its operation and management plan during the transition period to achieve smooth non-profit to for-profit transformation.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Updates to the Plan to Comply With the Qualification Requirement

Details of the updates on the PRC laws and regulations which have a material impact on the Group have been set out in the sections headed “Latest Regulatory Development” and “PRC Laws and Regulations Relating to Foreign Ownership in the Education Industry” in the Annual Report of the Company.

As disclosed in the Prospectus and the Annual Report, we have adopted a specific plan and have taken concrete steps which we believe are meaningful endeavors to demonstrate compliance with the Qualification Requirement. On 15 October 2019, Leader Education LLC was established in Chicago, Illinois and is an indirect wholly-owned subsidiary of the Company. Leader Education LLC plans to operate and manage a higher education institution (the “US School”) in the State of Illinois, US to be established, which is planned to provide programs focusing on business studies. On 21 February 2020, we filed a notice of intent for operation to the Illinois Board of Higher Education (“IBHE”). On 22 May 2020, we entered into a service agreement with an independent third party, with an aim to design the education program to be offered by the US School and submit applications with the IBHE regarding the establishment of the US School. Due to the spread of the COVID-19 in various countries around the world from 2020 to 2022, the Group’s progress in establishing the US School has been slow and was unable to advance in a timely manner. Although the COVID-19 came to an end in 2023, due to the increasingly complicated international environment, particularly the fierce international competition, our progress in establishing the US School has also been affected. Competition is emphasized in the education system of the United States. Keen competition can be seen both in terms of standardized examinations and courses, but we did not adopt a blind approach to proceed, which resulted in the failure of the establishment of the US School as scheduled. However, we will actively identify problems and continue to improve, hoping to complete the application for establishment of the US School as soon as possible.

### EMPLOYEES AND REMUNERATION POLICY

As of 28 February 2025, the Group had 688 full-time employees and 113 part-time employees (as of 29 February 2024: 762 full-time employees and 167 part-time employees). The Company believes that attracting, recruiting and retaining high-quality employees are essential to the success and sustainability of the Group. The remuneration policy and package of the Group’s employees are periodically reviewed in accordance with industry practice and financial results of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The total remuneration cost (including directors’ fee) incurred by the Group for the six months ended 28 February 2025 was RMB42.1 million (six months ended 29 February 2024: RMB48.7 million).



## OTHER INFORMATION

### INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES

As at 28 February 2025, the interests and short positions of Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept under section 352 of the SFO, or as notified the Company and the Stock Exchange pursuant to the Model Code, are as follows:

#### (i) Directors’ interests in the Company

Name of Director	Capacity/Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of shareholding <sup>(1)</sup>
Mr. Liu Laixiang <sup>(2)</sup>	Interest in controlled corporation	496,674,000 (L)	74.5% (L)
Ms. Dong Ling <sup>(3)</sup>	Interest in controlled corporation	496,674,000 (L)	74.5% (L)

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Junhua Education is 100% owned by Mr. Liu and he is therefore deemed to be interested in all the Shares held by Junhua Education. Mr. Liu is the spouse of Ms. Dong and he is therefore deemed to be interested in the Shares held by Ms. Dong.
- (3) Shuren Education is 100% owned by Ms. Dong and she is therefore deemed to be interested in all the Shares held by Shuren Education. Ms. Dong is the spouse of Mr. Liu and she is therefore deemed to be interested in the Shares held by Mr. Liu.

#### (ii) Directors’ interests in associated corporation of the Company

Name of Director	Name of associated cooperation	Capacity/Nature of interest	Amount of registered capital	Percentage of shareholding <sup>(1)</sup>
Mr. Liu Laixiang <sup>(2)</sup>	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司)	Beneficial owner/ interest of spouse	RMB40,000,000	100% (L)
Ms. Dong Ling <sup>(3)</sup>	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司)	Beneficial owner/ interest of spouse	RMB40,000,000	100% (L)
Mr. Liu Laixiang <sup>(4)</sup>	Heilongjiang College of Business and Technology	Interest in a controlled corporation/ interest of spouse	RMB183,000,000	100% (L)
Ms. Dong Ling <sup>(5)</sup>	Heilongjiang College of Business and Technology	Interest in a controlled corporation/ interest of spouse	RMB183,000,000	100% (L)

## OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the person’s long position in the relevant shares/securities.
- (2) Mr. Liu is the beneficial owner of 40% of equity interest in Harbin Xiangge; his spouse, Ms. Dong is the beneficial owner of the remaining 60% of equity interest. Mr. Liu is deemed to be interest in all the equity interest held by Ms. Dong in Harbin Xiangge.
- (3) Ms. Dong is the beneficial owner of 60% of equity interest in Harbin Xiangge; her spouse, Mr. Liu is the beneficial owner of the remaining 40% of equity interest. Ms. Dong is deemed to be interest in all the equity interest held by Mr. Liu in Harbin Xiangge.
- (4) Harbin Xiangge is the sole school sponsor and holding all equity interest of Heilongjiang College of Business and Technology. Harbin Xiangge is 40% owned by Mr. Liu and thus he is deemed to be interested in all the shares held by Harbin Xiangge in Heilongjiang College of Business and Technology; at the same time, he is the spouse of Ms. Dong and he is therefore deemed to be interested in the shares held by Ms. Dong through Harbin Xiangge under the SFO.
- (5) Harbin Xiangge is the sole school sponsor and holding all equity interest of Heilongjiang College of Business and Technology. Harbin Xiangge is 60% owned by Ms. Dong and thus she is deemed to be interested in all the shares held by Harbin Xiangge in Heilongjiang College of Business and Technology; at the same time, she is the spouse of Mr. Liu and she is therefore deemed to be interested in the shares held by Mr. Liu through Harbin Xiangge under the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at 28 February 2025, none of the Directors or the chief executive of the Company has any interests and/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 are 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, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS’ INTEREST IN THE COMPANY

So far as is known to any Director or chief executive of the Company, as at 28 February 2025, the following corporations/persons (other than Directors or the chief executive of the Company) had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate Percentage of shareholding <sup>(1)</sup>
Junhua Education Limited <sup>(2)(3)</sup>	Beneficial owner	196,674,000	29.5%
Shuren Education Limited <sup>(4)(5)</sup>	Beneficial owner	300,000,000	45.0%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Junhua Education is 100% owned by Mr. Liu and he is therefore deemed to be interested in all the shares of the Company held by Junhua Education under the SFO.



## OTHER INFORMATION

- (3) Mr. Liu is the spouse of Ms. Dong. Mr. Liu is deemed to be interested in all the shares of the Company in which Ms. Dong is interested under the SFO.
- (4) Shuren Education is 100% owned by Ms. Dong and she is therefore deemed to be interested in all the shares of the Company held by Shuren Education under the SFO.
- (5) Ms. Dong is the spouse of Mr. Liu. Ms. Dong is deemed to be interested in all the shares of the Company in which Mr. Liu is interested under the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at 28 February 2025, no person (other than the Directors or chief executives of the Company) had registered an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

### Directors' Right to Acquire Shares or Debentures

Save as disclosed in this interim report, at no time during the 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 respective spouses or children under the age of 18 were granted any right to subscribe for the share capital or debt securities of the Company or any other body corporate or had exercised any such right.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined in the Listing Rules, if any)) during the six months ended 28 February 2025.

There have been no option, convertible securities or similar rights or arrangements, issued or granted by the Group during the six months ended 28 February 2025 and as at the date of this interim report.

As at 28 February 2025, the Company has no treasury shares (as defined in the Listing Rules).

## STRUCTURED CONTRACTS

Please refer to the section headed "Structured Contracts" in the Prospectus and "Report of the Directors — Non-exempt Continuing Connected Transactions — Structured Contracts" in the Annual Report for details. The Board has reviewed the overall performance of the Structured Contracts (as defined in the Prospectus) and considered that the Group has complied with the Structured Contracts in all material respects during the Period.

## UPDATE ON DIRECTORS' INFORMATION

There is no changes in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the Annual Report and up to the date of this interim report.





## OTHER INFORMATION

### CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders.

During the six months ended 28 February 2025 except for the deviations noted below, the Company had complied with the code provisions of the CG Code and, where appropriate, adopted the recommended best practices as set out in the CG Code.

#### CG Code C.2.1

CG Code C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Liu Laixiang is currently both the Chief Executive Officer and Chairman of the Board. As Mr. Liu has been managing the business and in charge of the overall strategic planning of Harbin Xiangge since 2007 and Heilongjiang College of Business and Technology (including its predecessor) since 2011, the Board believes that vesting the roles and functions of both Chief Executive Officer and Chairman in the same person can ensure consistent leadership and efficient discharge of executive functions within the Group which is beneficial to the overall operation and management of our Group. The balance of power and authority is ensured by the operation of the senior management and the Board, both of which comprise experienced and high-calibre individuals. The Board comprises five other experienced and high-calibre individuals including two other executive Directors (excluding Ms. Dong Ling, who is Mr. Liu's spouse) and three independent non-executive Directors, who would be able to offer advice from various perspectives. For major decisions of our Group, the Board will make consultations with appropriate Board committees and senior management. The Group considers that the balance of power and authority of the Board will not be impaired under the present arrangement. Therefore, our Directors consider that the present arrangement is beneficial to and in the interest of our Company and our Shareholders as a whole.

Our Directors will continue to review and consider splitting the roles of the Chairman of our Board and the Chief Executive Officer of our Company at an appropriate time if necessary.

#### CG Code D.2.5

Under CG Code provision D.2.5, the Group should have an internal audit function. The Group conducted a review on the need for setting up an internal audit department. Having considered the Group's relatively simple operating structure, the Board considered that it shall be directly responsible for risk management and internal control systems of the Group. The Board, through the Audit Committee, had conducted a review on the risk management and internal control systems of the Group. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Appropriate measures have been put in place to manage the risks and no major issue was identified.



## OTHER INFORMATION

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries to all Directors of the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code regarding directors' and supervisors' securities transactions throughout the six months ended 28 February 2025.

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

### SHARE OPTION SCHEME

The Company's Share Option Scheme was conditionally approved by the then Shareholders on 22 July 2020 and was adopted pursuant a resolution of the Board passed on 22 July 2020. Details of the Share Option Scheme are set out under the section headed "Statutory and General Information — F. Share Option Scheme" in the Prospectus and "Share Option Scheme" in the Annual Report respectively. No option has been granted since then and up to the date of this interim report and therefore, there was no outstanding options as at 28 February 2025 and no options were exercised or cancelled or lapsed during the six months ended 28 February 2025.

The total number of Shares available for grant under the Share Option Scheme was 66,666,700 Shares at 1 September 2024 and 28 February 2025. There is no service provider sublimit under the Share Option Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Period divided by weighted average number of Shares in issue for the Period is nil.

### INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 28 February 2025 (six months ended 29 February 2024: Nil).

### SUBSEQUENT EVENTS

As at the date of this interim report, there was no significant event subsequent to 28 February 2025.

### PUBLIC FLOAT

As at the date of this interim report, based on the information that is publicly available to the Group and to the best knowledge of the Directors, the Group maintained sufficient public float as the public Shareholders held not less than 25% of the issued share capital of the Group as required by the Listing Rules.



## OTHER INFORMATION

### AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference. The Audit Committee currently comprises three independent non-executive Directors, Mr. Chan Ngai Fan, Mr. Zhang Su and Mr. Cao Shaoshan. Mr. Chan Ngai Fan is the chairman of the Audit Committee. The primary duties of the Audit Committee include but not limited to supervising our internal control, risk management, financial information disclosure and financial reporting matters. Its composition and written terms of reference are in line with the CG Code.

The Audit Committee of the Company has reviewed the unaudited interim results for the six months ended 28 February 2025 including the interim report and discussed with the management of the Company and is of the view that such financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the Audit Committee of the Company.



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2025

	Notes	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<b>REVENUE</b>	4	<b>172,191</b>	170,764
Cost of sales		(114,895)	(105,881)
Gross profit		57,296	64,883
Other income and gains	4	9,463	9,751
Selling expenses		(1,994)	(1,818)
Administrative expenses		(20,958)	(19,475)
Other expenses, net		(620)	(5,213)
Finance costs	6	(18,964)	(19,550)
Share of losses of a joint venture		(4)	(10)
<b>PROFIT BEFORE TAX</b>	5	<b>24,219</b>	28,568
Income tax expense	7	—	—
<b>PROFIT FOR THE PERIOD</b>		<b>24,219</b>	28,568

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2025

	Note	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		(1,339)	6,657
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		(1,339)	6,657
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of the Company		1,830	(2,193)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		1,830	(2,193)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>491</b>	<b>4,464</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>24,710</b>	<b>33,032</b>
Profit attributable to:			
Owners of the parent		24,219	28,573
Non-controlling interests		–	(5)
		<b>24,219</b>	<b>28,568</b>
Total comprehensive income attributable to:			
Owners of the parent		24,710	33,037
Non-controlling interests		–	(5)
		<b>24,710</b>	<b>33,032</b>
Earnings per share attributable to ordinary equity holders of the parent:			
Basic and diluted	9		
– For profit for the period		<b>RMB0.0363</b>	<b>RMB0.0429</b>



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 February 2025

	Notes	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Unaudited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,917,141	1,905,050
Right-of-use assets		287,138	233,444
Other intangible assets		3,023	3,113
Investment in a joint venture		367	371
An equity investment designated at fair value through other comprehensive income		2,301	2,301
Prepayments for purchase of property, plant and equipment and right-of-use assets		8,824	10,513
Other non-current assets		10,800	24,950
Total non-current assets		2,229,594	2,179,742
<b>CURRENT ASSETS</b>			
Trade receivables		420	573
Prepayments, other receivables and other assets		13,402	15,676
Restricted bank deposits		2,106	2,106
Cash and cash equivalents		178,176	345,437
Total current assets		194,104	363,792
<b>CURRENT LIABILITIES</b>			
Contract liabilities	11	172,921	299,778
Other payables and accruals	12	76,443	65,709
Interest-bearing bank and other borrowings and interest accruals	13	514,113	452,607
Deferred income		36,921	22,171
Total current liabilities		800,398	840,265
<b>NET CURRENT LIABILITIES</b>		(606,294)	(476,473)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,623,300	1,703,269



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 February 2025

	Notes	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Unaudited)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings and interest accruals	13	661,365	765,975
Deferred income		9,215	9,284
Deferred tax liabilities		115	115
Total non-current liabilities		670,695	775,374
Net assets		952,605	927,895
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	14	46,292	46,292
Reserves		906,333	881,623
		952,625	927,915
Non-controlling interests		(20)	(20)
Total equity		952,605	927,895



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 28 February 2025

	Attributable to owners of the parent							Total RMB'000
	Share capital RMB'000 Note 14	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Non- controlling interests RMB'000	
At 1 September 2024 (audited)	46,292	221,784	151,099	(699)	505,416	4,023	(20)	927,895
Profit for the period	-	-	-	-	24,219	-	-	24,219
Other comprehensive income for the period:								
Changes in fair value of an equity investment at fair value through other comprehensive incomes, net of tax	-	-	-	-	-	-	-	(699)
Exchange differences on translation of financial statements	-	-	-	-	-	491	-	491
Total comprehensive income for the period	-	-	-	-	24,219	491	-	24,710
Transfer from retained profits	-	-	2,035	-	(2,035)	-	-	-
At 28 February 2025 (unaudited)	46,292	221,784	153,134	(699)	527,600	4,514	(20)	952,605

	Attributable to owners of the parent						
	Share capital RMB'000 Note 14	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 September 2023 (audited)	46,292	221,784	147,153	489,405	4,301	(15)	908,920
Profit for the period	–	–	–	28,573	–	(5)	28,568
Other comprehensive income for the period:							
Exchange differences on translation of financial statements	–	–	–	–	4,464	–	4,464
Total comprehensive income for the period	–	–	–	28,573	4,464	(5)	33,032
Transfer from retained profits	–	–	3,403	(3,403)	–	–	–
At 29 February 2024 (unaudited)	46,292	221,784	150,556	514,575	8,765	(20)	941,952

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 28 February 2025

	Notes	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		24,219	28,568
Adjustments for:			
Finance costs	6	18,964	19,550
Share of losses of a joint venture		4	10
Bank interest income	4	(663)	(450)
Gain on disposal of right-of-use assets	5	–	(775)
Depreciation of property, plant and equipment	5	25,234	26,053
Depreciation of right-of-use assets	5	2,872	738
Amortisation of other intangible assets	5	90	852
		<u>70,720</u>	<u>74,546</u>
Decrease in trade receivables		153	–
Decrease/(increase) in prepayments, other receivables and other assets		11,424	(12,471)
Increase in other payables and accruals		25,415	26,514
Decrease in contract liabilities		(126,857)	(158,096)
Decrease in deferred income		–	(6,027)
		<u>(19,145)</u>	<u>(75,534)</u>
Cash used in operations			
Interest received		663	450
Tax paid		–	–
		<u>(18,482)</u>	<u>(75,084)</u>
Net cash flows used in operating activities			



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 28 February 2025

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in prepayments for purchase of property, plant and equipment and right-of-use assets	–	(4,113)
Purchase of items of property, plant and equipment	(27,573)	(29,511)
Additions to other intangible assets	–	(1,250)
Addition to right-of-use assets	(51,567)	–
Net cash flows used in investing activities	(79,140)	(34,874)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank loans and other borrowings	138,944	124,200
Repayment of bank loans and other borrowings	(245,800)	(163,031)
Interest paid	(5,411)	(7,054)
Interest element of sale and leaseback liabilities	(21,616)	(18,341)
Principal portion of sale and leaseback liabilities	65,645	240,554
Payment for other non-current assets	–	(6,870)
Net cash flows (used in)/generated from financing activities	(70,131)	169,458
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(167,752)	59,500
Cash and cash equivalents at beginning of period	345,437	270,776
Effect of foreign exchange rate changes, net	491	4,421
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>178,176</b>	<b>334,697</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

## 1. CORPORATE AND GROUP INFORMATION

Leader Education Limited (the “Company”) was incorporated in the Cayman Islands on 17 June 2019 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, Hutchins Drive.

The Company is an investment holding company. During the six months ended 28 February 2025 (the “Period”), the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in providing private higher education services in the People’s Republic of China (the “PRC”).

### 2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the Period has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the Group’s annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 August 2024. The unaudited interim condensed consolidated financial information is presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand except otherwise indicated.

#### Going concern

The Group recorded net current liabilities of RMB606,294,000 as at 28 February 2025. Included therein were the contract liabilities of RMB172,921,000 which will be settled by education services provided by the Group rather than settled by cash.

In view of the net current liabilities position, the directors of the Group have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Taking into account the financial resources available to the Group, including the internally generated funds from operation and existence of facility of RMB120,225,000, and the ability of management in adjusting the pace of its operation expansion, the directors of the Group are of the opinion that the Group is able to meet in full its financial obligations as and when they fall due for the foreseeable future and it is appropriate to prepare the unaudited interim condensed consolidated financial information on a going concern basis.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2024 except for the adoption of the following new and revised IFRSs for the first time for the Period's financial information:

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

### 3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of private higher education services in the PRC.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about operating segments is presented.

#### Geographical information

During the Period, all of the Group's revenue was generated in the PRC and over 90% of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

#### Information about major customers

No revenue derived from service provided to a single customer accounted for 10% or more of the total revenue of the Group during the Period.

### 4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Tuition fees	158,940	159,002
Boarding fees	13,251	11,762
	<u>172,191</u>	<u>170,764</u>
<b>Total revenue from contracts with customers</b>	<u>172,191</u>	<u>170,764</u>
<b>Other income and gains</b>		
Rental income	1,383	683
Bank interest income	663	450
Government grants*		
– Related to income	3,477	7,081
– Related to assets	69	225
Gain on disposal of right-of-use assets	–	775
Others	3,871	537
	<u>9,463</u>	<u>9,751</u>

\* There are no unfulfilled conditions or contingencies relating to such government grants recognised.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers

#### (i) Disaggregated revenue information

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
<i>Timing of revenue recognition</i>		
Tuition fees recognised over time	158,940	159,002
Boarding fees recognised over time	13,251	11,762
	<u>172,191</u>	<u>170,764</u>

### 5. PROFIT BEFORE TAX

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

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	34,396	40,084
Pension scheme contributions	7,672	7,062
	<u>42,068</u>	<u>47,146</u>
Depreciation of property, plant and equipment	25,234	26,053
Depreciation of right-of-use assets	2,872	738
Amortisation of other intangible assets	90	852
Gain on disposal of right-of-use assets	–	(775)
Bank interest income	(663)	(450)
Government grants		
– related to income	(3,477)	(7,081)
– related to assets	(69)	(225)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 6. FINANCE COSTS

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
Interest on bank loans and other borrowings	5,411	8,777
Interest on sale and leaseback liabilities	21,616	24,748
Total interest expense	27,027	33,525
Less: Interest capitalised	(8,063)	(13,975)
	<u>18,964</u>	<u>19,550</u>

### 7. INCOME TAX

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
Current income tax – Mainland China	<u>–</u>	<u>–</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and, accordingly, it is not subject to income tax from business carried out in the Cayman Islands.

Leader Education (HK) Limited, which was incorporated in Hong Kong, was subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 7. INCOME TAX (Continued)

According to the decision (the “2016 Decision”) of the Standing Committee of the National People’s Congress on Amending the Private Schools Promotion Law (《全國人民代表大會常務委員會關於修改〈中華人民共和國民辦教育促進法〉的決定》), which was promulgated on 7 November 2016, and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the Implementation Rules for the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法實施條例》) with an effective date of 1 September 2021 (the “2021 Implementation Rules”). The 2021 Implementation Rules are the detailed implementation rules of the Law for Promoting Private Education of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under neither the 2016 Decision nor the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

During the Period, Heilongjiang College of Business and Technology (“Heilongjiang College”) is in the process of classification registration and remain as a private non-enterprise unit.

Considering that the relevant taxation policy regarding schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remains unchanged and no further new and specific tax implementation regulations are announced, if the school nature has not yet been changed, Heilongjiang College did not pay corporate income tax for the income from formal educational services and has enjoyed the preferential tax treatments during the Period. Following the completion of the registration of Heilongjiang College as a for-profit private school, Heilongjiang College may be subject to corporate income tax at a rate of 25% in respect of service fees it receives from the provision of formal educational services, if it does not enjoy any preferential tax treatment. As such, significant impact on the Group’s profit and loss may arise.

Pursuant to the PRC Corporate Income Tax Law and the respective regulations, except for Heilongjiang Liankang Business Information Consulting Co., Ltd. (“Liankang Consulting”), Tianjin Quanren Education Technology Co., Ltd., Tianjin Quanren Vocational School Co., Ltd., Nantong Junhua Vocational School Co., Ltd. and Hai’an Junhua Vocational Skills Training School Co., Ltd. that are subject to the preferential rate of 20% under the Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises (SMEs), other companies of the Group which operate in Mainland China are subject to Corporate Income Tax (“CIT”) at a rate of 25% on their respective taxable income.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 8. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 28 February 2025 (six months ended 29 February 2024: Nil).

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

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 666,667,000 (29 February 2024: 666,667,000) in issue during the Period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 28 February 2025 and 29 February 2024.

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

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>24,219</u>	<u>28,573</u>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>666,667,000</u>	<u>666,667,000</u>



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 28 February 2025, the Group acquired assets with a cost of RMB29,262,000 (29 February 2024: RMB38,257,000) as additions to property, plant and equipment.

### 11. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Unaudited)
Short-term advances received from customers		
Tuition fees	160,058	278,592
Boarding fees	12,863	21,186
Total	172,921	299,778

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The students are entitled to the refund of the payment in relation to the proportionate service not yet provided.

### 12. OTHER PAYABLES AND ACCRUALS

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Unaudited)
Payables for purchase of property, plant and equipment	16,723	11,116
Payables for co-operation costs	643	931
Miscellaneous expenses received from students (note (i))	35,489	24,820
Payables for salaries and welfares	12,073	10,643
Payables for labour union expenditure	3,721	3,815
Payables for central heating costs	2,323	1,594
Refund liabilities	260	260
Other tax payable	58	157
Other payables	5,154	12,373
Total	76,443	65,709

The above balances are unsecured and non-interest-bearing.

Note (i): The amounts represent the miscellaneous expenses received from students which will be paid out on behalf of students.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 13. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST ACCRUALS

	28 February 2025			31 August 2024		
	Effective interest rate (%)	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000 (Unaudited)
<b>Current</b>						
Sale and leaseback liabilities	7.36–15.14	2025–2026	358,113	7.36–15.14	2025	283,773
Bank loans – unsecured	4.30–4.90	2025	76,050	4.30–5.00	2025	102,197
Current portion of long term bank loans – unsecured	3.80–4.80	2025	3,000	10.71	2025	768
Current portion of long term bank loans – secured	4.00–4.60	2025	31,950	3.80–4.95	2025	13,713
Other borrowings – unsecured	9.70–10.60	2025	45,000	9.72–10.68	2025	51,242
Lease liabilities	–	–	–	4.50–6.64	2025	914
<b>Total – current</b>			<b>514,113</b>			<b>452,607</b>
<b>Non-current</b>						
Sale and leaseback liabilities	7.36–15.14	2026–2028	298,564	7.36–15.14	2026–2027	301,551
Bank loans – unsecured	4.80	2027	9,000	–	–	–
Bank loans – secured	4.00–4.60	2027–2034	218,069	3.80–4.95	2026–2034	241,585
Other borrowing – unsecured	4.00–9.60	2027–2030	135,732	3.50–4.00	2027–2030	221,860
Lease liabilities	–	–	–	4.50–6.64	2026	979
<b>Total – non-current</b>			<b>661,365</b>			<b>765,975</b>
<b>Total</b>			<b>1,175,478</b>			<b>1,218,582</b>

#### Notes:

Certain of the Group's bank and other borrowings and interest accruals are secured by:

- Pledge of rights over tuition fees and boarding fees of Heilongjiang College for bank loans and interest accruals of RMB151,019,000 and RMB136,188,000 as at 28 February 2025 and 31 August 2024, respectively.
- Pledge of a 100% equity interest of Harbin Xiangge Enterprise Management Limited for other loans and interest accruals of RMB40,000,000 as at 28 February 2025.
- Pledges over the following assets:

The Group's assets:

Pledge over the Group's right-of-use assets situated in Mainland China, which had an aggregate carrying value of RMB105,690,000 (2024: RMB157,835,000) for bank loans and interest accruals of RMB76,000,000 (2024: RMB149,354,000);

Pledge over the Group's property, plant and equipment situated in Mainland China, which had an aggregate carrying value of RMB267,100,000 (2024: RMB82,436,000) for bank loans and interest accruals of RMB290,019,000 (2024: RMB149,354,000); and





## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 13. INTEREST-BEARING BANK AND OTHER BORROWINGS AND INTEREST ACCRUALS

(Continued)

Notes: (Continued)

(c) (Continued)

Properties which belong to the following related parties:

	2025 RMB'000	2024 RMB'000
Mr. Liu Laixiang and Ms. Dong Ling	20,000	20,000

Certain of the Group's bank and other borrowings and interest accruals are guaranteed by:

(a) The following related parties:

	2025 RMB'000	2024 RMB'000
Jointly, Mr. Liu Laixiang and Ms. Dong Ling Harbin Xiangzhen Yincheng Real Estate Co., Ltd. ("Yincheng Zhiye") 哈爾濱祥振引城置業有限公司	917,917	876,183
Daqing Xiangge Enterprise Management Limited ("Daqing Xiangge") 大慶市祥閣企業管理有限公司	38,220	61,304
Harbin Junfengda Property Development Limited ("Junfengda Property") 哈爾濱竣峰達房地產開發有限公司	—	20,347
	245,021	303,336
Total	1,201,158	1,261,170

(b) The following third party:

	2025 RMB'000	2024 RMB'000
Heilongjiang Xinzheng Financing Guarantee Group Co., Ltd. ("Heilongjiang Xinzheng Financing") 黑龍江省鑫正融資擔保集團有限公司	35,000	2,106

All borrowings are denominated in RMB as at 28 February 2025. Except for the 3.50% secured other borrowings which are denominated in United States dollars, all borrowings are in RMB as at 31 August 2024.

The carrying value of the Group's equipment held under sale and leaseback liabilities as at 28 February 2025 was nil (31 August 2024: RMB128.9 million). Leased assets were pledged as security for the related sale and leaseback liabilities.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 14. SHARE CAPITAL

#### Shares

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Unaudited)
Authorised:		
1,000,000,000 ordinary shares of US\$0.01 each as at 28 February 2025 (31 August 2024: 1,000,000,000 ordinary shares)	69,714	69,714
Issued and fully paid:		
666,667,000 ordinary shares as at 28 February 2025 (31 August 2024: 666,667,000 ordinary shares)	46,292	46,292

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 31 August 2024, 1 September 2024 and 28 February 2025	666,667,000	46,292

### 15. COMMITMENTS

The Group had the following capital commitments at the end of the Period:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000 (Unaudited)
Contracted, but not provided for:		
Buildings	264,089	148,121



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

## 16. RELATED PARTY TRANSACTIONS

### (a) Name and relationship of related parties

Name	Relationship
Ms. Dong Ling 董玲	One of the controlling shareholders
Mr. Liu Laixiang 劉來祥	One of the controlling shareholders
Daqing Xiangge	Company controlled by Mr. Liu Laixiang
Yincheng Zhiye	Company controlled by Ms. Dong Ling
Junfengda Property	A subsidiary of Harbin Xiangge until 20 January 2020 and of Yincheng Zhiye since 20 January 2020

### (b) Guarantees provided by related parties

Related parties provided guarantees for the Group's interest-bearing bank and other borrowings and interest accruals free of charge.

### (c) Compensation of key management personnel of the Group:

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,824	1,930
Pension contributions	26	23
	<u>1,850</u>	<u>1,953</u>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

28 February 2025	
Carrying amounts RMB'000 (Unaudited)	Fair values RMB'000 (Unaudited)
<b>Financial assets</b>	
An equity investment designated at fair value through other comprehensive income	2,301
Other non-current assets	9,566
	<u>13,101</u>
	<u>11,867</u>
<b>Financial liabilities</b>	
Interest-bearing bank and other borrowings and interest accruals (other than lease liabilities)	1,175,478
	<u>1,102,208</u>
31 August 2024	
Carrying amounts RMB'000 (Unaudited)	Fair values RMB'000 (Unaudited)
<b>Financial assets</b>	
An equity investment designated at fair value through other comprehensive income	2,301
Other non-current assets	22,098
	<u>24,950</u>
	<u>27,251</u>
<b>Total</b>	<b>24,399</b>
<b>Financial liabilities</b>	
Interest-bearing bank and other borrowings and interest accruals (other than lease liabilities)	1,216,689
	<u>1,140,850</u>

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

At the end of each period, the finance department analyses the movements in the values of financial instruments.

The fair values of other non-current assets and interest-bearing bank and other borrowings and interest accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in the Group's own non-performance risk for other non-current assets and interest-bearing bank and other borrowings and interest accruals as at the end of each year/period were assessed to be insignificant.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market based valuation technique based on assumptions that are not supported by observable market prices or rate.

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### *Assets measured at fair value*

As at 28 February 2025

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	(Unaudited)	
An equity investment designated at fair value through other comprehensive income	–	–	2,301	2,301

As at 31 August 2024

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	(Unaudited)	
An equity investment designated at fair value through other comprehensive income	–	–	2,301	2,301

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value hierarchy *(Continued)*

The group did not have any financial liabilities measured at fair value as at 31 August 2024 and 28 February 2025.

During the Period, there were no transfers of fair value measurement between Level 1 and Level 2, or transfers into or out of Level 3 for both financial assets and financial liabilities. The Group's policy is to recognize transfers between levels of the fair value hierarchy as at the end of each year/period in which they occur. During the year ended 31 August 2024, the unlisted equity investment at fair value through other comprehensive income has transferred from level 2 into level 3 of fair value hierarchy classifications due to the lack of significant observable inputs; and there were no transfers of fair value measurement between level 1 and level 2.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### *Assets for which fair values are disclosed*

As at 28 February 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Other non-current assets	–	9,566	–	9,566

As at 31 August 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Other non-current assets	–	22,098	–	22,098



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 28 February 2025

### 17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

*Liabilities for which fair values are disclosed*

As at 28 February 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Interest-bearing bank and other borrowings and interest accruals (other than lease liabilities)	–	1,102,208	–	1,102,208

As at 31 August 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Interest-bearing bank and other borrowings and interest accruals (other than lease liabilities)	–	1,140,850	–	1,140,850

### 18. EVENTS AFTER THE PERIOD

There were no significant events taken place subsequent to 28 February 2025 and up to the date of approval of these financial statements.



## DEFINITIONS

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

“Annual Report”	the 2024 annual report published by the Company on 30 December 2024
“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“CG Code”	the corporate governance code contained in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this interim report, Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Leader Education Limited (立德教育股份有限公司) (stock code: 1449), an exempted company incorporated in the Cayman Islands with limited liability on 17 June 2019
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”, “our Group”, “we” or “us”	the Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“Hanan Campus”	a campus of Heilongjiang College of Business and Technology, located at North of Yucai Road, West Street of Limin Development Zone, Harbin City, Heilongjiang Province, the PRC
“Harbin Xiangge”	Harbin Xiangge Enterprise Management Ltd.* (哈爾濱祥閣企業管理有限公司), formerly known as Harbin Xiangge Zhiye Co Ltd.* (哈爾濱祥閣置業有限公司), a limited liability company established under the laws of the PRC and held as to 60% by Ms. Dong Ling and 40% by Mr. Liu Laixiang each being an executive Director and a Controlling Shareholder of the Company
“Heilongjiang College of Business and Technology”, “School”	Heilongjiang College of Business and Technology (黑龍江工商學院), a private regular undergraduate institution approved and established under the laws of PRC and a consolidated affiliated entity of the Company
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong





## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards (which include all International Financial Reporting Standards, International Accounting Standards and interpretations) issued by the International Accounting Standards Board
“Junhua Education”	Junhua Education Limited (竣華教育有限公司), a company incorporated under the laws of the BVI on 18 June 2019 and wholly-owned by Mr. Liu, our Controlling Shareholder
“Listing Date”	6 August 2020, since which the Shares of the Company have been listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
“Mr. Liu”	Mr. Liu Laixiang (劉來祥), the Chairman, the Chief Executive Officer, an executive Director and a Controlling Shareholder and the spouse of Ms. Dong
“Ms. Dong”	Ms. Dong Ling (董玲), an executive Director and a Controlling Shareholder and the spouse of Mr. Liu
“Period”	the six months ended 28 February 2025
“Prospectus”	the prospectus of the Company dated 27 July 2020
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Option Scheme”	the Company’s share option scheme which was conditionally approved by the then Shareholders on 22 July 2020 and was adopted pursuant a resolution of the Board passed on 22 July 2020
“Shuren Education”	Shuren Education Limited (樹人教育有限公司), a company incorporated under the laws of the BVI on 18 June 2019 and wholly-owned by Ms. Dong, our Controlling Shareholder



## DEFINITIONS

“Songbei Campus”	a campus of Heilongjiang College of Business and Technology, located at Xinxing Dongguang Village, Zhoujia Dongyue Village, Shuangcheng District, Harbin City, Heilongjiang Province, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under Section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese or another language which are marked with “\*” and the Chinese translation of company or entity names in English which are marked with “\*” is for identification purpose only.

