中国宇华教育集团有限公司
China YuHua Education Corporation Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6169

Annual Report

2025

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COMPANY PROFILE

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

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

The Group remains committed to delivering high-quality education to its students by making continuous improvements to the educational infrastructure available. As such, there has been no material changes in respect of the business of the Group since 31 August 2025.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Guangyu *(Chairman)*
Ms. Li Hua *(Vice Chairman)*
Ms. Qiu Hongjun *(resigned with effect from 17 October 2025)*
Ms. Ren Yandan *(appointed with effect from 17 October 2025)*

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

JOINT COMPANY SECRETARIES

Mr. Xu Bin
Ms. Ng Ka Man

AUTHORISED REPRESENTATIVES

Ms. Li Hua
Mr. Xu Bin

AUDITOR

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

LEGAL ADVISERS

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

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

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CORPORATE INFORMATION (CONTINUED)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKER

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

COMPANY WEBSITE

www.yuhuachina.com

STOCK CODE

6169

FINANCIAL INFORMATION

The following table sets out a comparison between key financial figures for the years ended 31 August 2025 and 2024:

	Year ended 31 August		
	2025 (RMB'000)	2024 (RMB'000)	Change
Revenue	**2,496,819**	2,368,151	5.4%
Gross Profit	**1,145,649**	919,656	24.6%
Adjusted Gross Profit[1]	**1,185,707**	959,962	23.5%
Adjusted Net Profit attributable to owners of the Company[2]	**913,913**	467,186	95.6%

Notes:

1. The Adjusted Gross Profit for the year ended 31 August 2025 is calculated as gross profit for the period, excluding (i) the impact from share-based expense (in cost of revenue) and (ii) additional depreciation and amortization due to the provisional fair value adjustments to the acquired identifiable assets of LEI Lie Ying Limited and its subsidiaries (including Hunan Lie Ying Industry Co., Ltd. (湖南獵鷹實業有限公司) ("**Hunan Lie Ying**"), which in turn owns the entire sponsorship interests in Hunan International Economics University (湖南涉外經濟學院), Hunan Lie Ying Mechanic School (湖南獵鷹技工學校) and Hunan International Economics University Vocational Skills Training Centre (湖南涉外經濟學院職業技能培訓中心), collectively "**HIEU Schools**") Kaifeng City Yubohui Education Information Consulting Co., Ltd. ("**Yubohui Education**") and its subsidiaries (including Kaifeng City Xiangfu District Bowang High School ("**Bowang High School**")), Thai Education Holdings Co., Ltd. ("**TEDCO**") and its subsidiaries (including Stamford International University) and Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).

2. The Adjusted Net Profit attributable to owners of the Company for the year ended 31 August 2025 is calculated as the net profit attributable to the owners of the Company, excluding (i) the impact from share-based compensation expense; (ii) additional depreciation and amortization due to the provisional fair value adjustments to the acquired identifiable assets mentioned above in (1); (iii) government grants recognised during the period; (iv) gains and losses related to convertible bond recognized during the period; and (v) net profit from discontinued operations, Thai Education Holdings Co., Ltd. and its subsidiaries (including Stamford International University), as well as gains from their disposal.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Company also uses Adjusted Gross Profit, Adjusted Operating Profit, Adjusted Net Profit and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance. The Company believes that these measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Group's management. However, the Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Company's results of operations or financial condition as reported under IFRS.

Calculation of the Adjusted Gross Profit

		Year ended 31 August	
		2025	2024
		(RMB'000)	(RMB'000)
Gross Profit from continuing operations		**1,145,649**	919,656
Add:	Share-based compensation expenses in Cost of Revenue	**5,844**	5,802
Add:	Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets		
	— HIEU Schools	**10,733**	10,997
	— Bowang High School	**1,542**	1,542
	— Shandong Yingcai University	**21,939**	21,965
Adjusted Gross Profit		**1,185,707**	959,962

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

		Year ended 31 August	
		2025	2024
		(RMB'000)	(RMB'000)
Net profit attributable to the owners of the Company		**929,876**	398,741
Less:	Net profit from discontinued operations	**(26,815)**	(29,284)
Add:	Share-based compensation expenses in Cost of Revenue	**5,844**	5,802
Add:	Share-based compensation expenses in Administrative expenses	**9,728**	9,809
Add:	Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets		
	— HIEU Schools	**10,837**	11,104
	— Bowang High School	**1,701**	1,701
	— Shandong Yingcai University	**21,939**	21,965
Less:	Gains and losses related to convertible bonds[1]		
	— Fair value loss on convertible bond	**24,190**	55,568
	— Gains on repurchase of convertible bonds	**(16,928)**	—
	— Losses on redemption of convertible bonds	**18,075**	—
Less:	Gains from disposal of subsidiaries in Thailand[2]	**(56,975)**	—
Less:	Government Grants	**(7,559)**	(8,220)
Adjusted Net Profit attributable to the owners of the Company		**913,913**	467,186

Notes:

1. Details are set out in Note 7: Other gains/(losses) — net.

2. Details are set out in Note 7 & Note 34: Disposal of subsidiaries in Thailand.

FINANCIAL SUMMARY

Results of operations	For the year ended 31 August				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Revenue	**2,496,819**	2,368,151	2,380,276	2,380,372	2,258,583
Cost of revenue	**(1,351,170)**	(1,448,495)	(1,232,544)	(961,430)	(739,957)
Gross profit	**1,145,649**	919,656	1,147,732	1,418,942	1,518,626
Operating profit	**913,518**	398,619	1,127,706	1,145,926	1,761,651
Profit before tax	**898,308**	364,168	1,138,559	1,126,299	1,708,746
Profit for the year	**934,620**	403,922	1,140,104	1,134,953	852,776
Non-IFRS Measure:					
Adjusted Gross Profit[1]	**1,185,706**	959,962	1,191,308	1,463,139	1,564,445
Adjusted Net Profit attributable to owners of the Company[2]	**913,913**	467,186	969,430	1,242,516	1,266,857

Adjusted items	For the year ended 31 August				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Net profit from discontinued operations	**(26,815)**	(29,284)	—	—	—
Share-based compensation expenses (in cost of revenue)	**5,844**	5,802	5,478	6,375	5,855
Share-based compensation expenses (in administration expenses)	**9,727**	9,810	9,262	10,924	7,457
Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets					
— HIEU Schools	**10,837**	11,104	11,300	11,153	10,059
— Bowang High School	**1,701**	1,701	1,190	1,190	2,956
— Shandong Yingcai University	**21,939**	21,965	21,077	20,947	20,931
— Stamford International University	**—**	—	4,288	4,288	4,288
Gains and losses related to convertible bonds					
— Change in fair value on Convertible Bond and Convertible Loan	**24,190**	55,568	(40,957)	73,436	(459,810)
— Net gains on repurchase of convertible bonds	**(16,928)**	—	(169,738)	—	—
— Losses arising from revising the terms of the convertible bonds	**—**	—	6,781	—	—
— Losses on redemption of convertible bonds	**18,075**	—	—	—	—
Gains from disposal of subsidiaries in Thailand	**(56,975)**	—	—	—	—
Government grants	**(7,559)**	(8,220)	(13,977)	(11,502)	(14,024)

Financial ratio	For the year ended 31 August				
	2025	2024	2023	2022	2021
Gross profit margin	**45.9%**	38.8%	48.2%	59.6%	67.2%
Net profit margin attributable to owners of the Company	**37.2%**	16.8%	47.7%	47.3%	36.5%
Adjusted net profit margin attributable to owners of the Company	**36.6%**	19.7%	40.7%	52.2%	56.1%

Notes:

1. The Adjusted Gross Profit for the year ended 31 August 2025 is calculated as gross profit from continuing operations for the period, excluding (i) share-based expense (in cost of revenue) and (ii) additional depreciation and amortisation due to the provisional fair value adjustments to the acquired identifiable assets of LEI Lie Ying Limited and its subsidiaries (including HIEU Schools), Yubohui Education and its subsidiaries (including Kaifeng City Xiangfu District Bowang High School) and Jinan Shuangsheng Education Consulting Co., Ltd. and its subsidiaries (including Shandong Yingcai University).

2. The Adjusted Net Profit attributable to owners of the Company for the year ended 31 August 2025 is calculated as the net profit attributable to the owners of the Company, excluding (i) share-based compensation expense; (ii) additional depreciation and amortisation arising from the provisional fair value adjustments to the acquired identifiable assets mentioned above in (1); (iii) government grants recognised during the period; (iv) gains and losses related to convertible bond recognised during the period; and (v) net profit from discontinued operations, TEDCO and its subsidiaries (including Stamford International University), as well as gains from their disposal.

Assets and liabilities	As at 31 August				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Non-current assets	**10,429,438**	10,381,686	9,440,109	7,164,172	6,999,145
Current assets	**1,879,175**	2,157,845	2,546,263	4,328,631	1,911,133
Current liabilities	**2,516,312**	4,061,911	3,299,657	4,561,038	2,206,527
Net current assets (liabilities)	**(637,137)**	(1,904,068)	(753,394)	(232,407)	(295,394)
Total assets less current liabilities	**9,792,301**	8,477,620	8,686,715	6,931,765	6,703,751
Non-current liabilities	**952,362**	943,820	1,693,143	1,108,708	2,921,175
Total equity	**8,789,272**	7,533,800	6,993,572	5,823,057	3,782,576
Property, plant and equipment	**7,252,370**	7,084,757	5,862,436	3,706,284	3,624,140
Cash and cash equivalents	**1,730,448**	2,090,467	2,370,966	4,240,783	1,655,884
Contract liabilities	**840,589**	1,013,408	729,591	1,471,401	904,448
Bank borrowings	**636,940**	1,385,000	1,456,900	640,198	850,351

FINANCIAL SUMMARY (CONTINUED)

Financial ratio	As at/for the year ended 31 August				
	2025	2024	2023	2022	2021
Current ratio	**0.75**	0.53	0.77	0.95	0.87
Gearing ratio[3]	**7.2%**	18.4%	20.8%	11.0%	22.5%

Cash flows	For the year ended 31 August				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Net cash from operating activities	**1,632,038**	1,689,450	418,865	2,183,244	2,000,019

Notes (cont'd):

3. The Gearing Ratio is calculated as total interest-bearing bank loans divided by total equity as at the end of the relevant financial year.

BUSINESS REVIEW

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

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

The Group is committed to continuously enhancing its teaching quality and services to ensure the delivery of high-quality education to its students. As such, there has been no material changes in respect of the business of the Group since 31 August 2025.

The Group's Schools and Student Enrolment

As at 31 August 2025, the Group had 9 schools in China.

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

	As at 31 August 2025	As at 31 August 2024
The Group's schools in the PRC		
Universities and vocational college	**4**	4
High schools	**5**	5
The Group's schools overseas		
University	**–** (note 1)	1 (note 1)
Total	**9**	10

Note:

1. This represents Stamford International University, Thailand. The disposal of TEDCO and its subsidiaries (including Stamford International University) was completed on 31 May 2025. The financial results of these companies for the Reporting Period have been represented as discontinued operations in the Group's consolidated financial statements.

For the school year 2024/2025, the Group has enrolled a total of 107,387 students at its schools.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, there was no other significant events that might affect the Group since the end of the year ended 31 August 2025.

Future Development

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

FINANCIAL REVIEW

Overview

For the year ended 31 August 2025, the Group recorded revenue of RMB2,496.8 million, an Adjusted Gross Profit of RMB1,185.7 million and a gross profit of RMB1,145.6 million. The Adjusted Gross Profit Margin[1] of the Group was 47.5% for the year ended 31 August 2025 as compared with 40.5% for the corresponding period in 2024. The gross profit margin was 45.9% for the year ended 31 August 2025 as compared with 38.8% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company for the year ended 31 August 2025 was RMB913.9 million, representing an increase of RMB446.7 million or a 95.6% increase from the corresponding period in 2024. The Adjusted Net Profit Margin[2] attributable to owners of the Company was 36.6% and 19.7% for the years ended 31 August 2025 and 31 August 2024, respectively.

The net profit attributable to owners of the Company amounted to RMB929.9 million and RMB398.7 million for the years ended 31 August 2025 and 31 August 2024, respectively. The net profit margin attributable to owners of the Company amounted to 37.2% and 16.8% for the years ended 31 August 2025 and 31 August 2024, respectively.

Revenue

For the year ended 31 August 2025, revenue of the Group amounted to RMB2,496.8 million, representing an increase of RMB128.7 million or 5.4% as compared with RMB2,368.2 million for the corresponding period of 2024. The increase was primarily due to the increase in student enrolment from several schools.

1 The Adjusted Gross Profit Margin is calculated based on the Adjusted Gross Profit. Please refer to the "Non-IFRS Measures" this report for details.

2 The Adjusted Net Profit Margin attributable to owners of the Company is calculated based on the Adjusted Net Profit attributable to owners of the Company. Please refer to the "Non-IFRS Measures" section of this report for details.

Cost of Revenue

For the year ended 31 August 2025, the cost of revenue of the Group amounted to RMB1,351.2 million, representing a decrease of RMB97.3 million or 6.7% as compared with RMB1,448.5 million for the corresponding period in 2024. The Adjusted Cost of Revenue[3] of the Group amounted to RMB1,311.1 million, representing a decrease of RMB97.1 million or 6.9% as compared with RMB1,408.2 million for the corresponding period of 2024.

Gross Profit and Gross Profit Margin

For the year ended 31 August 2025, the Group's gross profit amounted to RMB1,145.6 million and RMB919.7 million for the years ended 31 August 2025 and 31 August 2024, respectively. The Group's gross profit margin amounted to 45.9% and 38.8% for the years ended 31 August 2025 and 31 August 2024, respectively. The improvement in gross profit margin was primarily attributable to revenue growth and a reduction in costs and expenses due to strengthened cost management during the Reporting Period.

The Adjusted Gross Profit of the Group amounted to RMB1,185.7 million, representing an increase of RMB225.7 million or 23.5% as compared with RMB960.0 million for the corresponding period in 2024. The Adjusted Gross Profit Margin of the Group for the year ended 31 August 2025 was 47.5%, compared with 40.5% for the corresponding period in 2024.

Selling Expenses

For the year ended 31 August 2025, the selling expenses of the Group amounted to RMB19.7 million, representing a decrease of RMB1.8 million or 8.5% from RMB21.5 million during the corresponding period in 2024. The decrease was primarily due to reduced marketing and promotional spending.

Administrative Expenses

For the year ended 31 August 2025, the administrative expenses of the Group amounted to RMB241.4 million and RMB256.9 million for the years ended 31 August 2025 and 31 August 2024, respectively. The decrease is primarily due to strengthened cost control. The Adjusted Administrative Expenses[4] of the Group amounted to RMB231.7 million, representing a decrease of RMB15.4 million as compared with RMB247.1 million for the corresponding period in 2024.

Other Income

For the year ended 31 August 2025, the other income of the Group amounted to RMB17.5 million, representing an increase of RMB2.9 million as compared with RMB14.6 million for the corresponding period in 2024. This increase was primarily due to higher auxiliary and examination fee income.

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

4 Adjusted Administrative Expenses are calculated as administrative expense for the period, excluding the impact from share-based compensation.

Other Gains and Losses

For the year ended 31 August 2025, the other gains and losses of the Group amounted to a net gain of RMB13.8 million as compared with a net loss of RMB254.2 million for the corresponding period in 2024. The net gain mainly reflected the gains from the disposal of subsidiaries in Thailand and the net gains/losses arising from the Convertible Bonds.

Operating Profit

The Operating Profit of the Group amounted to RMB913.5 million for the year ended 31 August 2025, representing an increase of RMB514.9 million or 129.2% as compared with RMB398.6 million for the corresponding period in 2024. The Operating Profit Margin amounted to 36.6% and 16.8% for the year ended 31 August 2025 and 31 August 2024, respectively.

Finance Income

Finance income decreased by 19.4% from RMB22.9 million for the year ended 31 August 2024 to RMB18.5 million for the corresponding period in 2025 due to a decline in interest income.

Finance Expenses

Finance expenses decreased from RMB57.4 million for the year ended 31 August 2024 to RMB33.7 million for the corresponding period in 2025 due to a reduction in interest expenses.

Profit for the Period from Discontinued Operations

As at 31 August 2025, following the completion of the disposal of TEDCO and its subsidiaries (including Stamford International University, Thailand) on 31 May 2025, the net profit from these companies for the year ended 31 August 2025 and 2024, amounting to RMB26.8 million and RMB29.3 million respectively, has been presented separately as profit for the period from discontinued operations.

Profit for the Reporting Period

As a result of the above factors, the Group recorded a net profit attributable to owners of the Company of RMB929.9 million for the year ended 31 August 2025, representing an increase of RMB531.1 million or 133.2% as compared with RMB398.7 million for the corresponding period in 2024. The net profit margin attributable to owners of the Company for the year ended 31 August 2025 was 37.2%, compared to 16.8% for the corresponding period in 2024.

The Adjusted Net Profit attributable to owners of the Company was RMB913.9 million for the year ended 31 August 2025, representing an increase of RMB446.7 million or 95.6% as compared with RMB467.2 million for the corresponding period in 2024. In addition, the Adjusted Net Profit Margin attributable to owners of the Company amounted to 36.6% and 19.7% for the years ended 31 August 2025 and 31 August 2024, respectively.

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

Liquidity and Source of Funding and Borrowing

As at 31 August 2025, the Group's cash and cash equivalents decreased by 17.2% from RMB2,090.5 million as at 31 August 2024 to RMB1,730.4 million as at 31 August 2025. The decrease was primarily due to repayments of borrowings and the redemption and repurchase of convertible bonds during the period.

As at 31 August 2025, the current assets of the Group amounted to RMB1,879.2 million, including RMB1,732.6 million in cash and restricted cash, RMB46.6 million in term deposits with initial term of over three months and RMB99.9 million in trade and other receivables. The current liabilities of the Group amounted to RMB2,516.3 million, of which RMB1,389.2 million was accruals and other payables, RMB283.0 million was borrowings, RMB840.6 million was contract liabilities, and RMB3.5 million was lease liabilities. As at 31 August 2025, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 0.75 (31 August 2024: 0.53).

Gearing Ratio

As at 31 August 2025, the gearing ratio of the Group, which was calculated as total interest-bearing bank loans divided by total equity, was approximately 7.2% (31 August 2024: 18.4%).

Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 31 August 2025) during the year ended 31 August 2025.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended 31 August 2025.

Pledge of Assets

As at 31 August 2025, the Group had no borrowings secured by pledge of assets.

Contingent Liabilities

The Group had no contingent liabilities as at 31 August 2025.

Foreign Exchange Exposure

During the year ended 31 August 2025, the Group mainly operated in China and the majority of the transactions were settled in RMB, the Company's primary consolidated affiliated entities' functional currency. The Group's acquisition of a university in Thailand exposes the Group to foreign exchange risk. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary. As at 31 August 2025, except for the bank deposits and convertible bonds denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations.

Future Plans for Material Investments and Capital Assets

As of 31 August 2025, the Group did not have other plans for material investments and capital assets.

REPORT OF DIRECTORS

The Board of the Company is pleased to present this report of Directors together with the consolidated financial statements of the Group for the year ended 31 August 2025.

DIRECTORS

The Directors who held office during the year ended 31 August 2025 and up to the date of this Annual Report are:

Executive Directors:

Mr. Li Guangyu (*Chairman*)
Ms. Li Hua (*Vice Chairman*)
Ms. Qiu Hongjun *(resigned with effect from 17 October 2025)*
Ms. Ren Yandan *(appointed with effect from 17 October 2025)*

Independent Non-executive Directors:

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

Biographical details of the Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" on pages 46 to 50 of this annual report.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 25 April 2016 as an exempted limited liability company under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's Shares were listed on the Main Board of the Stock Exchange on 28 February 2017.

PRINCIPAL ACTIVITIES

The Group has optimized its operating structure to mitigate the impact of the Implementation Regulations. The Group is transforming existing K-12 schools into higher vocational colleges and increasing investment in launching vocational undergraduate education at the Group's existing universities.

The Group intends to continue to expand its school network and ensure delivery of high-quality education to its students by making continuous improvements to the educational infrastructure available. As such, there has been no material changes in respect of the business of the Group since 31 August 2025.

Analysis of the principal activities of the Group during the year ended 31 August 2025 is set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the section headed "Management Discussion and Analysis" of this report. These discussions form part of this report. An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company is set out in the Company's separately published "Environmental, Social and Governance Report 2025". The Environmental, Social and Governance Report 2025, which is prepared in both Chinese and English, has been uploaded to the Company's website (http://www.yuhuachina.com) and the website of HKEXnews (www.hkexnews.hk) and is available for inspection. Shareholders may contact our Company as per the contact details disclosed in this annual report in cases where hard copy is needed.

PRINCIPAL RISKS AND UNCERTAINTIES

Save as disclosed in the section headed "Risks relating to the Contractual Arrangements" under "Continuing Connected Transactions" in this annual report, the following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

- its operations and business prospects;
- its business and operating strategies and its ability to implement such strategies;
- its ability to develop and manage its operation and business;
- its ability to maintain or increase student enrolment in its schools;
- its ability to maintain or increase tuition fees;
- its ability to control its operating costs;
- its ability to maintain or increase utilization of the Group's facilities;
- its capital expenditure programs and future capital requirements;
- its future general and administrative expenses;
- competition for, among other things, capital, technology and skilled personnel (including teaching staff);
- competition in the education industry where the Group serves; and
- changes to regulatory and operating conditions in the education industry and geographical markets in which the Group serves.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 August 2025, there was no material breach of, or non-compliance, with applicable laws and regulations by the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's customers primarily consist of its students and their parents. The Group's suppliers primarily comprise decoration services, meal catering companies, suppliers for text books, uniforms and teaching equipment vendors. For the year ended 31 August 2025, the Group did not have any single customer who accounted for more than 5% of the Group's revenue, and the aggregate purchases from the Group's five largest suppliers were approximately 22.7% of the Group's total purchases.

During the year ended 31 August 2025, the Group did not experience any significant disputes with its customers or suppliers.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on pages 8 to 10 of this annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 31 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 August 2025 are set out in note 13 to the consolidated financial statements.

The book value of the properties held by the Group for owner occupation at 31 August 2025 as included in the financial statements in this annual report was RMB6,700 million.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended 31 August 2025 and details of the Shares issued during the year ended 31 August 2025 are set out in note 21 to the consolidated financial statements.

DONATION

During the year ended 31 August 2025, the Group made donations of RMB0.06 million (2024: RMB0.06 million) and received donations of nil. (2024: Nil).

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended 31 August 2025.

EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Option Scheme and the Share Award Scheme, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 August 2025.

DIVIDENDS

The Board does not recommend the distribution of a final dividend for the year ended 31 August 2025 (2024: Nil).

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the year ended 31 August 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Company during the year ended 31 August 2025 are set out in consolidated statement of changes in equity. The distributable reserves of the Company as at 31 August 2025 were RMB5,478.2 million.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 August 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and note 25 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

Mr. Li has entered into a service contract with the Company for an initial term of three years with effect from the Listing Date or until the third annual general meeting of the Company since the Listing Date (whichever is sooner), and shall be automatically renewed for successive periods of three (3) years until terminated in accordance with the terms and conditions of the service or by either party giving to the other not less than three (3) months' prior notice in writing.

Ms. Li, the executive Director, has entered into a service contract with the Company for an initial term of three (3) years with effect from the date of her appointment or until the third annual general meeting of the Company since the date of the Prospectus (whichever is sooner), and shall be automatically renewed for successive periods of three (3) years until terminated in accordance with the terms and conditions of the service or by either party giving to the other not less than three (3) months' prior notice in writing. Ms. Ren Yandan, the executive Director, has entered into a service contract with the Company for a term of three years commencing from 17 October 2025 and shall be automatically renewed for successive periods of three (3) years until terminated by either party by giving not less than three (3) months' prior notice in writing.

Each of Mr. Chen Lei and Mr. Zhang Zhixue, the independent non-executive Directors, has signed a letter of appointment with the Company for an initial term of three years with effect from the date of the Prospectus and such letters of appointment were renewed on similar terms and effective from 16 February 2020 for another term of three years, shall be automatically renewed for successive periods of three years until terminated by either party giving to the other not less than three (3) months' prior notice in writing. Ms. Fan Nannan, the independent non-executive Director, has entered into a letter of appointment with the Company for an initial term of three (3) years commencing on 30 April 2024 and shall be automatically renewed for a successive periods of three years until terminated by either party by giving not less than three (3) months' prior notice in writing.

None of the Directors proposed for re-election at the annual general meeting has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section "Continuing Connected Transactions" below, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended 31 August 2025.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance, including contracts of significance for the provision of services, has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the year ended 31 August 2025.

MANAGEMENT CONTRACTS

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 August 2025.

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

As at 31 August 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Interest in the Company

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company (%)(1)	Long Position/ Short Position/ Lending pool
Mr. Li	Beneficial owner/Founder of a discretionary trust/Other	1,937,249,000(2)	45.40%	Long position
Ms. Li	Beneficiary of a discretionary trust/ Beneficial owner/Other	1,941,826,000(2)	45.51%	Long position
Ms. Qiu Hongjun(4)	Beneficial owner	3,261,000(3)	0.08%	Long position

Notes:

1. The calculation is based on the total number of 4,266,908,452 Shares in issue as at 31 August 2025.

2. The entire share capital of GuangYu Investment is wholly-owned by Baikal Lake Investment, as the nominee of TMF (Cayman) Ltd., the trustee of Nan Hai Trust, which was established by Mr. Li (as the settlor) on 6 September 2016 as a discretionary trust for the benefit of among others, Mr. Li and Ms. Li. Each of Mr. Li (as the founder of Nan Hai Trust) and Ms. Li (as a beneficiary of Nan Hai Trust) is taken to be interested in 1,917,500,000 Shares held by GuangYu Investment.

3. Includes Ms. Qiu Hongjun's entitlement to receive up to 2,934,900 Shares pursuant to the exercise of options granted to her under the Pre-IPO Share Option Scheme, subject to the conditions (including vesting conditions) of those options.

4. Ms. Qiu Hongjun has resigned as an executive Director with effect from 17 October 2025.

Interest in Associated Corporations

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

Save as disclosed above, as at 31 August 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 31 August 2025, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company (%)[1]	Long Position/ Short Position/ Lending pool
Mr. Li[2]	Beneficial owner/Founder of a discretionary trust/Other	1,937,249,000	45.40%	Long position
Ms. Li[2]	Beneficiary of a discretionary trust/ Beneficial owner/Other	1,941,826,000	45.51%	Long position
Baikal Lake Investment[2]	Interest in controlled corporation/ Other	1,917,500,000	44.94%	Long position
GuangYu Investment[2]	Beneficial owner/Other	1,917,500,000	44.94%	Long position
TMF (Cayman) Ltd.[3]	Trustee/Other	1,917,500,000	44.94%	Long position

Notes:

1. The calculation is based on the total number of 4,266,908,452 Shares in issue as at 31 August 2025.

2. The entire share capital of GuangYu Investment Holdings Limited is held by Baikal Lake Investment, as the nominee of TMF (Cayman) Ltd., the trustee of Nan Hai Trust. Nan Hai Trust was established by Mr. Li (as the settlor) on 6 September 2016 as a discretionary trust for the benefit of, among others, Mr. Li and Ms. Li.

3. TMF (Cayman) Ltd. is the trustee of Nan Hai Trust.

Save as disclosed above, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as at 31 August 2025 as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2025 and 2024, we had 7,615 and 7,984 employees, respectively. The Group formulates and implements its employee and remuneration policy in line with its operational requirements and business development. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policy and package of the Group's employees are periodically reviewed. As required by the PRC laws and regulations, the Company participates in various employee social security plans for its employees that are administered by local governments, including among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance.

The Group believes in the importance of attracting, recruiting and retaining of quality employees (in particular teachers) in achieving the Group's success. The Group provides training for teachers to equip them with teaching skills and techniques and stay abreast of the changes in student demands and teaching methodologies, changing testing and admission standards and other trends. During each school year, the Group monitors the teaching quality of its teachers and evaluates the performance of its teachers from time to time. During the year ended 31 August 2025, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

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

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

The total remuneration cost incurred by the Group for the year ended 31 August 2025 was RMB595.6 million (for the year ended 31 August 2024: RMB664.4 million).

SHARE SCHEMES

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

No new Shares may be issued in respect of options or awards granted during the Reporting Period as no options or awards were granted under the Pre-IPO Share Option Scheme and the Share Award Scheme during the Reporting Period.

(1) Pre-IPO Share Option Scheme

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

A summary of the principal terms of the Pre-IPO Share Option Scheme is set out below:

Purpose of the Pre-IPO Share Option Scheme

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

Eligible Participants

Our Board (which expression shall, for the purpose of this paragraph, include a duly authorized committee thereof) may determine the persons belonging to any of the following classes of participants, who our Board considers, in its sole discretion, have contributed or will contribute to our Group, to take up options to subscribe for Shares:

(i) any directors and employees of any member of our Group (including nominees and/or trustees of any employee benefit trusts established for them); and

(ii) any advisers, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of our Group.

The eligibility of any of these classes of participants to the grant of any option shall be determined by our Directors from time to time on the basis of our Directors' opinion as to the participant's contribution to the development and growth of our Group.

Maximum Number of Shares Available for Issue under the Pre-IPO Share Option Scheme

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

Given that no further options would be granted under the Pre-IPO Share Option Scheme, the outstanding number of options would be equivalent to the maximum number of new Shares available for issue under the Pre-IPO Share Option Scheme. As of the date of this annual report, outstanding options representing 105,043,690 underlying Shares, being approximately 2.45% of the issued share capital of the Company, were granted to eligible participants pursuant to the Pre-IPO Share Option Scheme. Details of the Pre-IPO Share Option Scheme are set out in Note 23 to the consolidated financial statements.

Maximum Entitlement of Each Participant

Under the Pre-IPO Share Option Scheme, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant but unvested under the Pre-IPO Share Option Scheme.

Exercise Period and Vesting Period

An option may be exercised in accordance with the terms of the Pre-IPO Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 20 years from the date of grant of the option subject to the provisions for early termination under the Pre-IPO Share Option Scheme.

Payment on Acceptance of Share Option

An amount of RMB1.00 is payable upon acceptance of the grant of an option.

Determination of Exercise Price

The exercise price in relation to each option granted under the Pre-IPO Share Option Scheme is HK$0.00001 per Share or such other price as may be determined by the Board.

Life of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme remained in force until 7 February 2017.

Outstanding Share Options Granted under the Pre-IPO Share Option Scheme

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Scheme as of 31 August 2025. The Company has not granted further share options under the Pre-IPO Share Option Scheme since 28 February 2017 and up to the date of this annual report. For further details on the movement of the options during the Reporting Period, please see note 23 to the consolidated financial statements.

Grantee	Position Held	Date of grant	Vesting Period[1]	Outstanding as at 1 September 2024	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at 31 August 2025	Exercise price per Share	Weighted average closing price of the Company's shares immediately before the exercise date during the Reporting Period
Directors, chief executive, substantial shareholders and associates										
Ms. Qiu Hongjun[1] (邱紅軍)	Executive Director; financial controller; vice president	1 September 2016	15 years from the date of grant	2,934,900	–	–	–	2,934,900	HK$0.00001	–
Other grantees in category										
325 Employee Participants		1 September 2016	Up to 20 years from the date of grant	102,108,790	–	–	–	102,108,790	HK$0.00001	–
TOTAL				105,043,690	–	–	–	105,043,690		

Notes:

(1) Ms. Qiu Hongjun resigned as an Director with effect from 17 October 2025.

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

(2) Share Award Scheme

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

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

Purpose

The purpose of the Share Award Scheme is to align the interests of Eligible Persons (as defined in the Prospectus) with those of the Group through ownership of Shares, dividend and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long term growth and profits of the Group.

Eligible Participants

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

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

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

As at September 1, 2024, 250,177,900 new Shares underlying Awards to be made (representing approximately 5.83% of the issued share capital of the Company as of the date of this annual report) were available for issue under the Share Award Scheme Limit. As no share awards were granted during the Reporting Period. It follows that, as of August 31, 2025 and the date of this annual report, 250,177,900 new Shares and 250,177,900 new Shares underlying Awards to be made (representing approximately 5.83% of the issued share capital of the Company as of the date of this annual report) were available for issue under the Share Award Scheme Limit, respectively.

Maximum Entitlement of Participant

Save as otherwise restricted by the Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested Shares that may be granted to a Selected Participant under the Share Award Scheme.

Vesting and Lapse

The Board or its delegate(s) may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the vesting dates of any Awards will be accelerated to an earlier date.

In the event a Selected Participant ceases to be an eligible person on or prior to the relevant vesting date and the Award in respect of the relevant vesting date shall lapse or be forfeited pursuant to the Share Award Scheme, such Award shall not vest on the relevant vesting date and the Selected Participant shall have no claims against the Company, unless the Board determines otherwise at its absolute discretion.

Consideration and purchase price

Pursuant to the Share Award Scheme, there is no amount payable on application or acceptance of the Award and no purchase price of Shares awarded.

Restrictions

No Award shall be made to Selected Participants with respect to a grant of an Award under the Share Award Scheme: (i) where any director of the Company is in possession of unpublished inside information in relation to the Company or where dealings by directors of the Company are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations; (ii) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (iii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Duration and Termination

The Share Award Scheme shall be valid and effective for a period of 30 years (after which no further Awards will be granted), and thereafter for so long as there are any non-vested Awards Shares granted hereunder prior to the expiration of the Share Award Scheme, in order to give effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Share Award Scheme Rules, unless early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant. The remaining life of the Share Award Scheme is approximately over 20 years as of the date of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the remuneration committee of the Company to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the remuneration committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO Share Option Scheme and the senior management personnel are eligible participants of the Share Award Scheme. Details of the remuneration of the Directors and the five highest paid individuals are set out in note 9 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save and except for the interests of the Controlling Shareholders in the Group, during the year ended 31 August 2025, neither the Controlling Shareholders nor any of the Directors had any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Prospectus, the following transactions of the Group constituted continuing connected transactions (the "**Continuing Connected Transactions**") for the Group for the year ended 31 August 2025.

Non-exempt continuing connected transactions

Set out below is a summary of the continuing connected transactions for the Group, which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Contractual Arrangements

Background to the Contractual Arrangements

The Group currently conducts its private education business through its consolidated affiliated entities in the PRC as PRC laws and regulations, or the implementation of those laws and regulations by the relevant government authorities, generally prohibit or restrict foreign ownership in the private education industry in the PRC. PRC laws and regulations currently prohibit foreign ownership of primary and middle schools in the PRC and restrict the operation of kindergartens, high schools and higher education institutions to Sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. Further, government approvals in respect of Sino-foreign ownership in the private education sector have, with very limited exception, been withheld. The Group does not hold any direct equity interest in its consolidated affiliated entities. The Contractual Arrangements, through which the Group is able to exercise control over and derive the economic benefits from its consolidated affiliated entities, have been narrowly tailored to achieve its business purpose and minimize the potential conflict with relevant PRC laws and regulations.

Regulatory framework relating to foreign ownership in the education industry in the PRC

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

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

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

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

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

The Company's PRC Legal Adviser has also advised that it is currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant education authority that it meets the Qualification Requirement.

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

Efforts and Actions Undertaken to Comply with the Qualification Requirement

The Group has adopted a specific plan and begun to take concrete steps which the Company reasonably believe are meaningful endeavors to demonstrate compliance with the Qualification Requirement:

1. On 1 October 2013, the Group signed a letter of intent with Daejeon Girls' Middle School (大田女子中學校) of the Republic of Korea ("**DGMS**") pursuant to which DGMS expressed its intent to, among other things, cooperate with the Group's schools and collaborate in organizing exchange and teaching activities.

2. On 1 October 2013, the Group signed a letter of intent with Daejeon Middle School pursuant to which Daejeon Middle School expressed an intent to cooperate with the Group's schools and collaborate in organising exchange and teaching activities.

3. On 1 October 2013, the Group signed a letter of intent for cooperating in running schools with DGMS pursuant which:

   (a) DGMS agreed to send Korean speaking teachers to teach Sino-Korean international classes and Korean language courses at the Group's high school classes and the Group agreed to bear the related costs;

   (b) the Group agreed to send its teachers to teach Chinese culture classes and Chinese language courses at DGMS's middle school classes and DGMS agreed to bear the related costs;

   (c) the Group's middle school students may undertake DGMS's courses and receive certificates upon completion of the course; and

   (d) the Group will establish an overseas training base for certain graduates of the Zhengzhou Technology and Business University at DGMS.

4. On 21 October 2013, Zhengzhou YuHua Elite School signed a cooperation agreement with International Exchange Department of Jeju National University (國立濟州大學) of Republic of Korea pursuant to which Jeju National University agreed to, among other things, cooperate with Zhengzhou YuHua Elite School in respect of Korea language education and cultural exchange programmes and assist in the admission of graduates of Zhengzhou YuHua Elite School to Jeju National University.

5. On 12 January 2015, Zhengzhou YuHua Elite School signed an agreement with International Exchange Department of Pukyong National University (國立釜慶大學) of the Republic of Korea pursuant to which Pukyong National University agreed to provide students of Zhengzhou YuHua Elite School with language training opportunities and assist in the admission of graduates of Zhengzhou YuHua Elite School to Pukyong National University.

To the best of the Directors' knowledge and belief, other than the letter of intent for cooperation in running schools signed with DGMS on 1 October 2013 mentioned above, the abovementioned letters of intent and agreements are legally binding.

To further demonstrate compliance with the Qualification Requirement, the Group is also in the process of communicating or negotiating with certain experienced and reputational overseas education service providers in various forms of potential cooperation, including but not limited to expanding its school network abroad. The Company will keep the Shareholders informed should it make any substantial progress in reaching cooperation agreements with these overseas education service providers.

On top of the above, and to prepare for the potential expansion of the Group's business to the overseas, the Company has established a Hong Kong subsidiary, Hong Kong YuHua, which serves as the main control hub of the Group's overseas business and is responsible for:

1. negotiating and executing contracts for international business cooperation, such as contracts for cooperation with foreign education institutions in organizing international classes or courses;

2. investing in or acquiring overseas education businesses as and when appropriate;

3. holding the Group's overseas intellectual property rights and licensing them to the Group's international partners; and

4. recruiting overseas education business professionals and advisers, and acting as the direct employer of any personnel based outside the PRC.

The Company's PRC Legal Adviser has advised that while Sino-foreign cooperative schools are to be jointly established by both foreign and domestic educational institutions, it is currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate that it meets the Qualification Requirement. Based on the interviews conducted with the Education Department of Henan Province and the steps that the Group has undertaken as mentioned above, the Company's PRC Legal Adviser is of the view that the Group has taken all reasonable steps towards fulfilling the Qualification Requirement.

In order to comply with the PRC laws and regulations as set out above while availing ourselves to international capital markets and maintaining effective control over all of the Group's operations, on 7 September 2016, 1 September 2018, 1 July 2019, 19 June 2020 and 30 May 2023, the Company's wholly-owned subsidiary, WFOE, entered into various agreements that together constitute the Contractual Arrangements with, among others, the Group's consolidated affiliated entities, under which substantially all economic benefits arising from the business of the Group's consolidated affiliated entities are transferred to WFOE to the extent permitted under the PRC laws and regulations by means of services fee payable by the Group's consolidated affiliated entities to WFOE.

The Directors (including the independent non-executive Directors) consider that the Contractual Arrangements are fundamental to the Group's legal structure and business operations and have been entered into: (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) in accordance with the respective contractual agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. The Directors also believe that the Group's structure whereby the financial results of the consolidated affiliated entities are consolidated into the Company's financial statements as if they were the Company's subsidiaries, and the flow of economic benefits of their business to the Group places the Group in a special position in relation to relevant rules concerning connected transactions under the Listing Rules.

Risks relating to the Contractual Arrangements

The Company believes the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 40 to 48 of the Prospectus.

- the Contractual Arrangements may not be as effective in providing control over the Group's consolidated affiliated entities as direct ownership.

- the relevant regulatory authorities may not take the same position as the Group in respect of the legality, binding effect and enforceability of each of the contractual arrangements, and it may result in a material and adverse effect on the Group's ability to conduct the Group's businesses, subject us to severe penalties, and impede the Group's beneficiary rights of the results, assets and liabilities of the consolidated affiliated entities.

- the beneficial owners of the Group's consolidated affiliated entities may have conflicts of interests with us, which may materially and adversely affect the Group's business and financial situation.

- the exercise of the option to acquire the equity interest of the Group's consolidated affiliated entities may be subject to certain limitations and the Group may incur substantial costs.

- any failure by the Group's consolidated affiliated entities or their respective shareholders to perform their obligations under the Group's Contractual Arrangements would potentially lead to the incurrence of additional costs and the expending of substantial resources on the Group's part to enforce such arrangements, temporary or permanent loss of control over the Group's primary operations or loss of access to the Group's primary sources of revenue.

- the Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed, which may materially and adversely affect the Group's results of operation and value of the Shareholders' investment.

- the Company relies on dividend and other payments from WFOE to pay dividends and other cash distribution to the Shareholders and any limitation on the ability of the WFOE to pay dividends to the Company would materially and adversely limit its ability to pay dividends to the Shareholders.

- the Group's consolidated affiliated entities may be subject to limitations on their ability to operate private education business or make payments to related parties.

- if any of the Group's consolidated affiliated entities becomes subject to winding up or liquidation proceedings, the Group may lose the ability to enjoy certain important assets, which would negatively impact the Group's business and materially and adversely affect its ability to generate revenue.

Contractual Arrangements in Place

The Contractual Arrangements that were in place as at 31 August 2025 are as follows:

The 2016 Contractual Arrangements

On 7 September 2016, WFOE, YuHua Investment Management, the Registered Shareholders, Zhengzhou YuHua Education Investments and Zhengzhou Zhongmei Education Investments entered into the 2016 Contractual Arrangements, which consist of:

(a) exclusive management consultancy and business cooperation agreements dated 7 September 2016 and entered into by and between (i) WFOE, YuHua Investment Management and its subsidiary and the Registered Shareholders; (ii) WFOE, Zhengzhou YuHua Education Investments and its subsidiaries and the Registered Shareholders; and (iii) WFOE, Zhengzhou Zhongmei Education Investments and its subsidiaries and the Registered Shareholders (the "**2016 Exclusive Management Consultancy and Business Cooperation Agreements**"), pursuant to which WFOE has the exclusive right to provide, or designate any third party to provide each of the Group's consolidated affiliated entities with corporate management and educational services, intellectual property licensing services as well as technical and business support services;

(b) exclusive call option agreements dated 7 September 2016 and entered into by and between (i) WFOE, YuHua Investment Management and the Registered Shareholders; (ii) WFOE, Zhengzhou YuHua Education Investments and the Registered Shareholders; and (iii) WFOE, Zhengzhou Zhongmei Education Investments and the Registered Shareholders (the "**2016 Exclusive Call Option Agreements**"), pursuant to which the Registered Shareholders unconditionally and irrevocably agreed to grant WFOE or its designated third party an exclusive option to purchase all or part of the equity interests in the PRC Holdcos, as the case may be for the minimum amount of consideration permitted by applicable PRC laws and regulations, under circumstances in which WFOE or its designated third party is permitted under PRC laws and regulations to own all or part of the equity interests of the PRC Holdcos. Where the purchase price is required by the relevant PRC laws and regulations to be an amount other than nil consideration, the Registered Shareholders shall return the amount of purchase price they have received to WFOE or its designated third party;

(c) equity pledge agreements dated 7 September 2016 and entered into by and between (i) WFOE, YuHua Investment Management and the Registered Shareholders; (ii) WFOE, Zhengzhou YuHua Education Investments and the Registered Shareholders; and (iii) WFOE, Zhengzhou Zhongmei Education Investments and the Registered Shareholders (the "**2016 Equity Pledge Agreements**"), pursuant to which the Registered Shareholders unconditionally and unequivocally pledged all of the equity interests in YuHua Investment Management, Zhengzhou YuHua Education Investments and Zhengzhou Zhongmei Education Investments respectively, to WFOE to guarantee (i) the performance of the obligations of YuHua Investment Management, Zhengzhou YuHua Education Investments and Zhengzhou Zhongmei Education Investments and their respective subsidiaries under the 2016 Exclusive Management Consultancy and Business Cooperation Agreements, (ii) performance of their and the Registered Shareholders' obligations under the 2016 Exclusive Call Option Agreements and the 2016 Powers of Attorney (as defined below); and

(d) an irrevocable power of attorney executed by each of the Registered Shareholders dated 7 September 2016 (the "**2016 Powers of Attorney**") appointing WFOE, or nominee(s) of WFOE (excluding Mr. Li, Ms. Li or other non-independent persons or persons who may give rise to conflicts of interests), as his or her attorney-in-fact to appoint directors and vote on his or her behalf on all matters of YuHua Investment Management, Zhengzhou YuHua Education Investments or Zhengzhou Zhongmei Education Investments requiring shareholders' approval under its respective articles of association and under the relevant PRC laws and regulations.

The 2018 Contractual Arrangements

On 1 September 2018, WFOE, YuHua Investment Management, the Registered Shareholders, Zhengzhou Qinfeng Education Technology Co., Ltd., Kaifeng City Yubohui Education Information Technology Consulting Co., Ltd. and Kaifeng City Xiangfu District Bowang High School entered into the 2018 Contractual Arrangements, which consist of:

(a) an exclusive management consultancy and business cooperation agreement dated 1 September 2018 between (i) WFOE, (ii) Zhengzhou Qinfeng Education Technology Co., Ltd. (鄭州秦風教育科技有限公司) ("**Zhengzhou Qinfeng**"), (iii) Yubohui Education, (iv) Bowang High School and (v) the Registered Shareholders (the "**2018 Exclusive Management Consultancy and Business Cooperation Agreement**"), pursuant to which Zhengzhou Qinfeng, Yubohui Education, Bowang High School and the Registered Shareholders agreed to engage WFOE as the exclusive service provider to provide Zhengzhou Qinfeng, Yubohui Education and Bowang High School with corporate management consultancy services, education management consultancy services, intellectual property licensing services as well as technical and business support services in return for service fees;

(b) an exclusive call option agreement dated 1 September 2018 between (i) WFOE, (ii) Zhengzhou Qinfeng and (iii) the Registered Shareholders (the "**2018 Exclusive Call Option Agreement**"), pursuant to which the Registered Shareholders granted WFOE an exclusive, unconditional and irrevocable option to purchase from the Registered Shareholders all or part of the equity interests in Zhengzhou Qinfeng;

(c) an equity pledge agreement dated 1 September 2018 between (i) WFOE, (ii) Zhengzhou Qinfeng and (iii) the Registered Shareholders (the "**2018 Equity Pledge Agreement**"), pursuant to which the Registered Shareholders unconditionally and irrevocably pledged all of his or her equity interest in Zhengzhou Qinfeng to WFOE;

(d) a power of attorney executed by each of the Registered Shareholders dated 1 September 2018 (the "**2018 Powers of Attorney**") appointing WFOE, or nominee(s) of WFOE (excluding Mr. Li, Ms. Li or other non-independent persons or persons who may give rise to conflicts of interests), as his or her attorney-in-fact to appoint directors and vote on his or her behalf on all matters of Zhengzhou Qinfeng requiring shareholders' approval under its respective articles of association and under the relevant PRC laws and regulations; and

(e) power of attorney executed on 1 September 2018 by Zhengzhou Qinfeng (the "**2018 Zhengzhou Qinfeng Power of Attorney**") appointing WFOE (or any person designated by WFOE) as its attorney-in-fact to appoint directors and vote on its behalf on all matters of Yubohui Education and Bowang High School requiring shareholders' or sponsors' (as applicable) approval under its articles of association and under the relevant PRC laws and regulations.

The 2019 Contractual Arrangements

On 1 July 2019 and 17 July 2019, WFOE, the Transferee, the Registered Shareholders and the Target Group entered into the 2019 Contractual Arrangements, which consist of:

(a) an exclusive management consultancy and business cooperation agreement dated 1 July 2019 (together with the joinder agreements mentioned in item (f) below, the "**2019 Exclusive Management Consultancy and Business Cooperation Agreement**") between (i) WFOE, (ii) the Transferee and (iii) the Registered Shareholders, pursuant to which the Transferee and the Registered Shareholders agreed to engage WFOE as the exclusive service provider to provide the Transferee (and its subsidiaries from time to time) with corporate management consultancy services, education management consultancy services, intellectual property licensing services as well as technical and business support services in return for service fees;

(b) an exclusive call option agreement dated 1 July 2019 (the "**2019 Exclusive Call Option Agreement**") between (i) WFOE, (ii) the Transferee and (iii) the Registered Shareholders, pursuant to which the Registered Shareholders granted WFOE an exclusive, unconditional and irrevocable option to purchase from the Registered Shareholders all or part of the equity interests in the Transferee;

(c) an equity pledge agreement dated 1 July 2019 (the "**2019 Equity Pledge Agreements**") between (i) WFOE, (ii) the Transferee and (iii) the Registered Shareholders, pursuant to which the Registered Shareholders unconditionally and irrevocably pledged all of his or her equity interest in the Transferee to WFOE;

(d) powers of attorney executed on 1 July 2019 by each of Mr. Li and Ms. Li (the "**2019 Powers of Attorney**") appointing WFOE (or any person designated by WFOE, excluding Mr. Li, Ms. Li or any other non-independent persons or persons who may give rise to conflicts of interests) as his or her attorney-in-fact to appoint directors and vote on his or her behalf on all matters of the Transferee requiring shareholders' approval under its articles of association and under the relevant PRC laws and regulations;

(e) power of attorney executed on 17 July 2019 by the Transferee (the "**2019 Transferee Power of Attorney**") appointing WFOE (or any person designated by WFOE) as its attorney-in-fact to appoint directors and vote on its behalf on all matters of the Target Group requiring shareholders' or sponsors' (as applicable) approval under its articles of association and under the relevant PRC laws and regulations; and

(f) joinder agreements executed on 17 July 2019 by each member of the Target Group (the "**2019 Target Group Joinder Agreements**"), pursuant to which each member of the Target Group agreed to join the 2019 Exclusive Management Consultancy and Business Cooperation Agreement as a party, and assume all the obligations and enjoy all the rights of the subsidiaries of the Transferee.

The 2020 Contractual Arrangements

On 19 June 2020, WFOE, Changsha Jiuzhao Information Technology Co., Ltd. (長沙久照信息科技有限公司), the Registered Shareholders entered into the 2020 Contractual Arrangements, which consist of:

(a) an exclusive management consultancy and business cooperation agreement dated 19 June 2020 (the "**2020 Exclusive Management Consultancy and Business Cooperation Agreement**") between (i) WFOE, (ii) Changsha Jiuzhao Information Technology Co., Ltd. and (iii) the Registered Shareholders, pursuant to which Changsha Jiuzhao Information Technology Co., Ltd. and the Registered Shareholders agreed to engage WFOE as the exclusive service provider to provide Changsha Jiuzhao Information Technology Co., Ltd. with corporate management consultancy services, education management consultancy services, intellectual property licensing services as well as technical and business support services in return for service fees;

(b) an exclusive call option agreement dated 19 June 2020 (the "**2020 Exclusive Call Option Agreement**") between (i) WFOE, (ii) Changsha Jiuzhao Information Technology Co., Ltd. and (iii) the Registered Shareholders, pursuant to which the Registered Shareholders granted WFOE an exclusive, unconditional and irrevocable option to purchase from the Registered Shareholders all or part of the equity interests in Changsha Jiuzhao Information Technology Co., Ltd.;

(c) an equity pledge agreement dated 19 June 2020 (the "**2020 Equity Pledge Agreements**") between (i) WFOE, (ii) Changsha Jiuzhao Information Technology Co., Ltd. and (iii) the Registered Shareholders, pursuant to which the Registered Shareholders unconditionally and irrevocably pledged all of his or her equity interest in Changsha Jiuzhao Information Technology Co., Ltd. to WFOE; and

(d) powers of attorney executed on 19 June 2020 by each of Mr. Li and Ms. Li (the "**2020 Powers of Attorney**") appointing WFOE (or any person designated by WFOE, excluding Mr. Li, Ms. Li or any other non-independent persons or persons who may give rise to conflicts of interests) as his or her attorney-in-fact to appoint directors and vote on his or her behalf on all matters of the Changsha Jiuzhao Information Technology Co., Ltd. requiring shareholders' approval under its articles of association and under the relevant PRC laws and regulations.

The 2023 Contractual Arrangements

On 30 May 2023, WFOE, Henan Gaowen, Zhengzhou Software Vocational and Technical College Co., Ltd. (鄭州軟體職業技術學院有限責任公司) and the Registered Shareholders entered into the 2023 Contractual Arrangements, which consist of:

(a) an exclusive management consultancy and business cooperation agreement dated 30 May 2023 (the "**2023 Exclusive Management Consultancy and Business Cooperation Agreement**") between (i) WFOE, (ii) Henan Gaowen, (iii) Zhengzhou Software Vocational and Technical College Co., Ltd. and (iv) the Registered Shareholders, pursuant to which Henan Gaowen and the Registered Shareholders agreed to engage WFOE as the exclusive service provider to provide Henan Gaowen and its subsidiary with corporate management consultancy services, education management consultancy services, intellectual property licensing services as well as technical and business support services in return for service fees;

(b) an exclusive call option agreement dated 30 May 2023 (the "**2023 Exclusive Call Option Agreement**") between (i) WFOE, (ii) Henan Gaowen and (iii) the Registered Shareholders, pursuant to which the Registered Shareholders granted WFOE an exclusive, unconditional and irrevocable option to purchase from the Registered Shareholders all or part of the equity interests in Henan Gaowen;

(c) an equity pledge agreement dated 30 May 2023 (the "**2023 Equity Pledge Agreements**") between (i) WFOE, (ii) Henan Gaowen and (iii) the Registered Shareholders, pursuant to which the Registered Shareholders unconditionally and irrevocably pledged all of his or her equity interest in Henan Gaowen to WFOE;

(d) powers of attorney executed on 30 May 2023 by each of Mr. Li and Ms. Li (the "**2023 Powers of Attorney**") appointing WFOE (or any person designated by WFOE, excluding Mr. Li, Ms. Li or any other non-independent persons or persons who may give rise to conflicts of interests) as his or her attorney-in-fact to appoint directors and vote on his or her behalf on all matters of the Henan Gaowen requiring shareholders' approval under its articles of association and under the relevant PRC laws and regulations; and

(e) power of attorney executed on 30 May 2023 by Henan Gaowen (the "**2023 Henan Gaowen Power of Attorney**") appointing WFOE (or any person designated by WFOE) as its attorney-in-fact to appoint directors and vote on its behalf on all matters of Zhengzhou Software Vocational and Technical College Co., Ltd. requiring shareholder's or sponsor's (as applicable) approval under its articles of association and under the relevant PRC laws and regulations.

Apart from the above, there are no other new Contractual Arrangements entered into, renewed or reproduced during the financial year ended 31 August 2025. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 31 August 2025. There was no termination of the Contractual Arrangements during the financial year ended 31 August 2025.

The Implementation Regulations effective from 1 September 2021 prohibit social organizations and individuals from controlling private compulsory education schools and non-profit private preschools through mergers, acquisitions and contractual arrangements and prohibit private compulsory education schools from conducting transactions with related parties. The Company has been advised by its PRC legal adviser that according to the Implementation Regulations and the confirmation by relevant education authority, as of the date of this annual report, except for the Contractual Arrangements over the Affected Business, the Contractual Arrangements do not violate the relevant PRC regulations. For further details, please refer to the announcement dated 5 January 2022.

Mitigation actions taken by the Company

The Company's management works closely with Mr. Li and Ms. Li and its external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements. The Directors will review the Contractual Arrangements at least once a year to ensure the effective implementation of the Contractual Arrangements and compliance with the relevant terms.

The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 137 to 143 of the Prospectus.

Revenue and Assets subject to the Contractual Arrangements

For the year ended 31 August 2025, revenue of the Group subject to the Contractual Arrangements amounted to approximately RMB2,496,819,000 (2024: RMB1,390,038,000). As at 31 August 2025, total assets of the Group subject to the Contractual Arrangements amounted to approximately RMB9,355,389,000 (2024: RMB5,175,552,000).

The annual transaction amount of continuing connected transactions for the year ended 31 August 2025 is set out below.

Continuing Connected Transactions

Transactions of Xizang Yuanpei, a subsidiary of the Company, provided to other domestic subsidiaries of the Company.

	Annual Transactions (RMB'000)	Annual Cap (RMB'000)
Service fee	781	Not applicable, waived

Listing Rules Implications

The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Waiver from the Stock Exchange and Annual Review

The Stock Exchange has granted the Company a waiver from strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting an annual cap; and (iii) limiting the term of the continuing connected transactions set out in Chapter 14A of the Listing Rules for each of the continuing connected transactions.

Pursuant to the conditions of the waiver (the "**Waiver Conditions**") granted to the Company at the time of the IPO as described on pages 186 to 188 of the Prospectus, and on the basis that the existing Contractual Arrangements of the Company (as described under the section headed "Contractual Arrangements" in the Prospectus) provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on the one hand, and the consolidated affiliated entities, on the other hand, the Company is permitted to renew or reproduce the existing Contractual Arrangements with respect to any new wholly foreign owned enterprise or operating company engaging in the same business as that of the Group, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements.

As the terms and conditions of the 2018 Contractual Arrangements, the 2019 Contractual Arrangements, the 2020 Contractual Arrangements and 2023 Contractual Arrangements are substantially the same as those of the contractual arrangements described under the section headed "Contractual Arrangements" in the Prospectus, and the underlying businesses are within the scope of the Group's principal businesses — the provision of private education services from kindergarten to university, the 2018 Contractual Arrangements, the 2019 Contractual Arrangements, the 2020 Contractual Arrangements and 2023 Contractual Arrangements therefore fall within the parameters of the Waiver Conditions.

Confirmation from Independent Non-executive Directors

The Company's independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during year ended 31 August 2025 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended 31 August 2025, (iii) no new contracts were entered into, renewed or reproduced between the Group and the consolidated affiliated entities during the year ended 31 August 2025, and (iv) the Contractual Arrangements were entered into in the ordinary and usual course of business of the Group on normal commercial terms or better and are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmations from the Company's Independent Auditor

The Auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended 31 August 2025:

(a) nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors.

(b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the Auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

(c) nothing has come to their attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

(d) nothing has come to their attention that causes the Auditor to believe that dividends or other distributions have been made by YuHua Investment Management Co., Ltd 宇華投資管理有限公司, Zhengzhou YuHua Education Investments Co., Ltd 鄭州宇華教育投資有限公司, Zhengzhou Hanchen Education Science and Technology Limited 鄭州漢晨教育科技有限公司, Zhengzhou Qinfeng Education Science and Technology Limited 鄭州秦風教育科技有限公司, Changsha Jiuzhao Information Technology Management Company Limited 長沙久照信息科技有限公司, Henan Gaowen Education Consulting Co., Ltd 河南高文教育諮詢有限公司 (collectively the "**VIE Entities**") to the holders of the equity interests of VIE Entities which are not otherwise subsequently assigned or transferred to the Group.

During the year ended 31 August 2025, no related party transactions disclosed in note 29 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules)) during the year ended 31 August 2025. The Company did not hold any treasury shares (as defined under the Listing Rules) as at 31 August 2025.

UNLISTED WARRANTS

On 25 August 2025, the Company issued 181,999,988 unlisted warrants (number due to rounding) at nil issue price to the bondholders who voted in favour of the Extraordinary Resolution, on a pro rata basis, as a consent fee. Each warrant entitles the holder to subscribe in cash for one new ordinary share of the Company at an initial subscription price of HK$0.50 per share (subject to adjustments) at any time during the period from the date of issue up to and including 25 August 2028. Assuming full exercise of the warrants at the initial exercise price of HK$0.50 per share, 181,999,988 new shares of the Company will be issued.

Please refer to the announcements of the Company dated 17 January 2025, 10 February 2025 and 11 August 2025 and the Company's circular dated 18 July 2025 for further details about the warrants.

MATERIAL LITIGATION

The Directors are not aware of any material litigation or claims that are pending or threatened against the Group as of 31 August 2025.

BUILDING CERTIFICATES AND PERMITS

As at 31 August 2025, in relation to owned buildings or groups of buildings other than those associated with the HIEU Schools (the "**Non-HIEU Schools Owned Buildings**"), the Group had not obtained proper building ownership certificates or other requisite certificates or permits for 11 of the 32 Non-HIEU Schools Owned Buildings, due in part to changes to the urban planning in the cities which the Group operates, administrative oversight by the Group's management and their unfamiliarity with the relevant regulatory requirements. The Group is in the process of applying to relevant government authorities for the relevant outstanding certificates and permits and are closely following up with the government authorities with respect to the applications. Please also refer to the section headed "Business — Properties — Owned Properties — Buildings or Groups of Buildings" in the Prospectus for further details. There have been no updates in this regard since the publication of the Prospectus.

As at 31 August 2025, the Company was in the process of applying for, but had not yet obtained, the proper certificates in relation to 48 buildings currently occupied by the HIEU Schools. The Company understands that the lack of certificates in relation to these buildings will not prejudice the ability of the Company to operate the HIEU Schools and that the buildings are fit and safe for education purposes. For further details, please refer to the Company's circular dated 29 June 2018.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the annual general meeting.

By the order of the Board
Mr. Li Guangyu
Chairman

Hong Kong
28 November 2025

DIRECTORS AND SENIOR MANAGEMENT

The Board consists of three executive Directors and three independent non-executive Directors.

EXECUTIVE DIRECTORS

Mr. Li Guangyu (李光宇), aged 62, was first appointed as a Director on 25 April 2016. He was re-designated as an executive Director and appointed as the chairman of the Board and the chairman of the nomination committee on 7 September 2016. Mr. Li also holds the following positions with other members of the Group:

- director of YuHua Investment Management (since 19 February 2000);
- director of Zhengzhou YuHua Education Investments (since 9 April 2004);
- chairman of the board of directors of Zhengzhou Technology and Business University (since 13 March 2009); and
- chairman of the board of directors of Zhengzhou Zhongmei Education Investments (since 21 July 2011).

Mr. Li has over 20 years of experience in the education industry, and is the chairman of the board of directors of the Zhengzhou Technology and Business University and Hunan International Economics University, and all of the Group's high schools. In 2004, he was selected as one of the ten outstanding figures in the private education industry in China (中國民辦教育十大傑出人物) by Guangming Daily (光明日報). In April 2010, Mr. Li received the National Outstanding Worker Award (全國先進工作者) from the State Council of the PRC. Mr. Li was also a member of the National People's Congress and the vice chairman of the China Association for Non-Government Education (中國民辦教育協會).

Mr. Li graduated from the Changchun Institute of Optics and Fine Mechanics (長春光學精密機械學院, currently known as Changchun University of Science and Technology (長春理工大學)) majoring in laser technology in July 1983, and his master's degree in Business Administration from the Guanghua School of Management, Peking University (北京大學光華管理學院) in June 2007.

Mr. Li is the father of Ms. Li Hua, the chief executive officer and executive Director.

Ms. Li Hua (李花), aged 38, was first appointed as an executive Director and as the vice chairman of the Board on 7 September 2016. Ms. Li is also the Company's chief executive officer and holds the following positions with other members of the Group:

- director of Zhengzhou Zhongmei Education Investments (since 21 July 2011); and
- director of Zhengzhou YuHua Education Investments (since 19 April 2016).

Ms. Li has more than 14 years of experience in the education industry, and is a member of the board of directors of the Zhengzhou Technology and Business University and Hunan International Economics University, and all of the Group's high schools. Ms. Li worked as an officer at Zhengzhou YuHua Elite School between March to July 2009, where she was responsible for managing the daily operations and strategic planning of the school. From July 2009 to July 2010, Ms. Li was a teaching assistant and counsellor at Zhengzhou Technology and Business University, where she was responsible for lecturing and managing the counselling programme and student activities.

Ms. Li has been a committee member of the 12th Session of All-China Youth Federation (中華全國青年聯合會第十二屆) since July 2015. She was also a representative of Henan Province for the 17th Communist Youth League National Representative Conference (中國共產主義青年團第十七次全國代表大會) and a representative of Xinzheng (新鄭) for the 14th People's Congress of Zhengzhou (鄭州市第十四屆人民代表大會). In May 2012, Ms. Li received the Henan Province May Fourth Youth Prize (河南省五四青年獎章榮耀) from the Henan Communist Youth League (中國共青團河南省委) and the Henan Youth Federation (河南省青年聯合會). She also received the Henan Province Individual Honour for Innovative Women (河南省婦女創先爭優先進個人榮譽) in July 2012 from the Henan Woman Federation (河南省婦女聯合會) and the Outstanding Committee Member Honour (河南省青年聯合會優秀委員榮譽) from the Henan Youth Federation in January 2013. In November 2014, Ms. Li was awarded the Individual Award for Innovations in Henan Private Education (河南省民辦教育先進個人榮譽) by the Henan Province Education Department (河南省教育廳).

Ms. Li received her bachelor's degree in Philosophy from Peking University in July 2010.

Ms. Li is the daughter of Mr. Li, the chairman and executive Director.

Ms. Ren Yandan (任豔丹), aged 45, has been appointed as an executive Director with effect from 17 October 2025. Ms. Ren joined the Group in April 2005 and currently serves as the Group's executive vice president. Ms. Ren has over 20 years of experience in school management and was recognized as one of "China's 100 Outstanding Principals". She also serves as the Chairperson of Zhengzhou Technology and Business University, Hunan University of International Economics, and Zhengzhou Software Vocational and Technical College, and as the Chief Principal of the Group's primary, secondary, and kindergarten branches. She received her bachelor degree in education in 2004 and doctorate degree in business administration in 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chen Lei (陳磊), aged 53, was appointed as an independent non-executive Director and the chairman of the audit committee effective on 16 February 2017. Mr. Chen is primarily responsible for supervising and providing independent judgement to the Board. Mr. Chen is the Director who has the appropriate professional accounting or related financial management expertise for the purpose of Rule 3.10(2) of the Listing Rules through his experience listed below.

Mr. Chen has been serving as an associate professor of accounting and assistant dean at the Guanghua School of Management, Peking University since 2008. Mr. Chen served as an assistant professor of accounting at Robinson College of Business, Georgia State University in the United States from August 2004 to June 2008.

Mr. Chen currently serves as an independent non-executive director of Sugon Information Industry Co., Ltd (曙光信息產業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603019) (since May 2015), Huadian Heavy Industries Co., Ltd (華電重工股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601226) (since July 2014) and Beijing Da Bei Nong Technology Holdings Co., Ltd (北京大北農科技集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002385) (since December 2013) and Hevol Services Group Co. Limited (和泓服務集團有限公司), a company listed on the Stock Exchange (stock code: 6093) (since June 2019).

Mr. Chen received his bachelor's degree in Economics from Tsinghua University, his master's degree in Economics from Indiana University and his doctorate degree in Accounting from the University of Texas in Dallas in July 1996, September 1999 and August 2004, respectively.

Mr. Chen has been and remains responsible for the following areas in his capacity as an associate professor of Accounting and a director listed companies, through which he has gained the financial management expertise required under Rule 3.10(2) of the Listing Rules:

- lecturing on and teaching accounting, auditing and financial management related courses as an associate professor of Accounting at Guanghua School of Management, Peking University;

- acting as the executive director of the master in Professional Accounting programme (會計碩士專業學位) at the Guanghua School of Management, Peking University; and

- acting as a specialist in audit committees of the listed companies in the preparation of their financial statements, valuation analysis, participation in pricing and negotiation of transaction terms, preparation of offer document disclosures and other related financial documents in advance of their public offerings in the Shenzhen Stock Exchange and the Shanghai Stock Exchange.

Mr. Zhang Zhixue (張志學), aged 58, was appointed as an independent non-executive Director and the chairman of the remuneration committee effective on 16 February 2017. Mr. Zhang is primarily responsible for supervising and providing independent judgement to the Board.

Mr. Zhang has been a professor of Organisation and Strategic Management at the Guanghua School of Management, Peking University since August 2008.

Mr. Zhang currently serves as an independent non-executive director of Ever-Glory International Group, Inc. (since March 2008), a company listed on NASDAQ (stock symbol: EVK). Mr. Zhang is also currently an independent director of the Bank of Guizhou (貴州銀行) and Sunshine Insurance Group Inc. (陽光保險集團股份有限公司). He also served as an independent non-executive director of Creative Distribution Automation Co., Ltd. (北京科鋭配電自動化股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002350), from March 2010 to March 2016.

Mr. Zhang received his bachelor's degree in Education from Henan University (河南大學), his master's degree in Psychology from Beijing Normal University (北京師範大學) and his doctorate degree in Philosophy from the University of Hong Kong in July 1988, July 1991 and December 1998, respectively.

Ms. Fan Nannan (范楠楠), aged 32, was appointed as an independent non-executive Director on 30 April 2024. Prior to joining the Company, Ms. Fan has been teaching at Changsha College (長沙學院) since September 2018. Ms. Fan received her bachelor's degree in law from Xiangtan University (湘潭大學), China in 2015 and her master's and doctorate degree in law from Central South University (中南大學), China in 2018 and 2024, respectively.

SENIOR MANAGEMENT

Mr. Xu Bin (徐斌), aged 42, was appointed as the Company's chief financial officer on 1 January 2016 and joint company secretary on 7 September 2016. He is responsible for overseeing the Company's financial affairs.

Before joining the Group, Mr. Xu was the vice president and co-chief financial officer of China Maple Leaf Education Systems Limited, a company listed on the Stock Exchange (stock code: 1317), from 16 February 2013 to 16 June 2015. He also worked as an accountant at Citco Financial Group, an international financial services provider, from November 2007 to May 2010, and an investment banking associate at Essence Securities Co., Ltd., a financial and securities brokerage services provider based in China, from November 2011 to February 2013.

Mr. Xu received his bachelor's degree in Economics and Finance from the University of Toronto, Canada in November 2007 and a master's degree in Finance from the University of Cambridge, United Kingdom in May 2012.

JOINT COMPANY SECRETARIES

Mr. Xu Bin (徐斌), one of the Company's joint company secretaries, was appointed on 7 September 2016. He is also the Group's senior management.

Ms. Ng Ka Man (吳嘉雯), was appointed as one of the Group's joint company secretaries with effect from 30 November 2021. Ms. Ng is a senior manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. She has over 16 years of experience in the company secretarial field. She is a Chartered Secretary, a Corporate Governance Professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CHANGES TO INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Changes to information of Directors and chief executives since the last published interim report are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Name of Director/chief executive	Details of Change
Ms. Qiu Hongjun	Resigned as an executive Director with effect from 17 October 2025
Ms. Ren Yandan	Appointed as an executive Director with effect from 17 October 2025

Save as disclosed above and in the section headed 'Directors and Senior Management' in this annual report, the Company is not aware of any other changes in the information of Directors and chief executives which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published interim report.

CORPORATE GOVERNANCE REPORT

The Board of Directors is pleased to present the corporate governance report for the Company for the year ended 31 August 2025.

CORPORATE GOVERNANCE PRACTICES

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

For the year ended 31 August 2025, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code in Appendix C1 to the Listing Rules.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the year ended 31 August 2025.

BOARD OF DIRECTORS

The Board currently comprises three executive Directors and three independent non-executive Directors.

The composition of the Board is as followings:

Executive Directors

Mr. Li Guangyu *(Chairman)*
Ms. Li Hua *(Vice Chairman)*
Ms. Ren Yandan

Independent non-executive Directors

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

The biographical details of the Directors are set out in the section headed “Directors and Senior Management” on pages 46 to 50 of this annual report.

Ms. Li is the daughter of Mr. Li. Save as disclosed, none of the members of the Board is related to one another.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman and Chief Executive Officer are held by Mr. Li and Ms. Li, respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and the daily management and operations generally. The respective responsibilities are clearly defined and set out in writing.

BOARD MEETINGS, COMMITTEE MEETINGS AND GENERAL MEETINGS

Code provision C.5.1 of the CG Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications.

During the year ended 31 August 2025, four Board meetings and one general meeting were held. Apart from regular Board Meetings, the Chairman of the Board also held one meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code.

A summary of the attendance record of the Directors at Board meetings, committee meetings and general meetings is set out in the following table below:

	Number of meeting(s) attended/number of meeting(s) held for the year ended 31 August 2025				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting(s)[3]
Executive Directors:					
Mr. Li Guangyu	4/4	2/2	1/1	1/1	1/1
Ms. Li Hua	4/4	2/2	1/1	1/1	1/1
Ms. Qiu Hongjun[1]	4/4	2/2	1/1	1/1	1/1
Ms. Ren Yandan[1]	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors:					
Mr. Chen Lei	4/4	2/2	1/1	1/1	1/1
Mr. Zhang Zhixue	4/4	2/2	1/1	1/1	1/1
Ms. Fan Nannan	4/4	2/2	1/1	1/1	1/1

Notes:

1. Ms. Qiu Hongjun resigned as an executive Director with effect from 17 October 2025 and Ms. Ren Yandan was appointed as an executive Director with effect from 17 October 2025.

2. All incumbent Directors, namely Mr. Li Guangyu, Ms. Li Hua, Ms. Qiu Hongjun (prior to resignation on 17 October 2025), Mr. Chen Lei, Mr. Zhang Zhixue and Ms. Fan Nannan, attended the annual general meeting of the Company held on 11 August 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the independent non-executive Directors a written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent. Each of Mr. Chen Lei and Mr. Zhang Zhixue, has signed a letter of appointment with the Company for an initial term of three years with effect from the date of the Prospectus and such letters of appointment were renewed on similar terms and effective from 16 February 2023 for another term of three years, and will continue thereafter until terminated by either party giving to the other not less than three (3) months' prior notice in writing. Ms. Fan Nannan has entered into a letter of appointment with the Company for an initial term of three (3) years commencing on 30 April 2024 and shall be automatically renewed for a successive periods of three years until terminated by either party by giving not less than three (3) months' prior notice in writing.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All the Directors are subject to retirement by rotation and re-election at annual general meeting. Pursuant to the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office and be eligible for re-election at each annual general meeting, provided that every Director is subject to retirement by rotation at least once every three years. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting after his/her appointment and be eligible for re-election at that meeting.

Pursuant to articles 16.2 and 16.18 of the Articles of Association, Ms. Li Hua, Ms. Ren Yandan and Mr. Zhang Zhixue will be subject to re-election at the forthcoming annual general meeting.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is the primary decision making body of the Company and is responsible for overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Group's senior management is responsible for the day-to-day management of the Group's business and is responsible for overseeing the general operation, business development, finance, marketing, and operations.

DIVIDEND POLICY

On 27 November 2018, the Company adopted a dividend policy (the "**Dividend Policy**") in accordance with the CG Code, which outlines the factors that should be taken into account in determining any dividend for distribution to the Shareholders. The Dividend Policy is reproduced as follows:

1. Subject to the Cayman Islands Company Law and the Articles of Association, the Board of Directors has absolute discretion on whether to distribute dividends. In addition, the Shareholders may by ordinary resolution declare dividends, but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on the Company's future operations, cash flows, general financial condition, capital adequacy ratio, cash dividends received from the invested portfolio ecosystem partners, future business prospectus, statutory and regulatory restrictions on the payment of dividends and other factors that the Board considers relevant.

2. Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from our subsidiaries. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to the Company.

3. The Company does not have a fixed dividend payout ratio. The Company currently intends to retain most, if not all, of the available funds and any future earnings to operate and expand the business.

4. If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares, or the terms of issue thereof otherwise provide, (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares; and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, installments or otherwise.

5. The Dividend Policy reflects the Board's current views on the Company's financial and cash flow position. It will continue to be reviewed by the Board from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

BOARD COMMITTEES

The Board has established three committees, namely, the audit committee, the remuneration committee and the nomination committee, for overseeing particular aspects of the Company's affairs. Each of these committees are established with defined written terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting, risk management and internal controls system of the Group, review and approve connected transactions and to advise the Board.

The audit committee comprises three independent non-executive Directors, namely Mr. Chen Lei, Mr. Zhang Zhixue and Ms. Fan Nanan. Mr. Chen Lei is the chairman of the audit committee.

For the year ended 31 August 2025, the audit committee convened two meetings. The attendance record of the Directors at meetings of the audit committee is set out in the table on page 52.

During the meeting(s), the audit committee:

- reviewed final results of the Company and its subsidiaries for the year ended 31 August 2024 as well as the audit report prepared by the Auditor relating to accounting issues and major findings in course of audit;

- reviewed interim results of the Group for the six months ended 28 February 2025; and

- reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function and risk management and internal control systems and processes).

Remuneration Committee

The Company established a remuneration committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the remuneration committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management, and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The remuneration committee comprises one executive Director, namely Ms. Li, and two independent non-executive Directors, namely Mr. Zhang Zhixue and Ms. Fan Nanan. Mr. Zhang Zhixue is the chairman of the remuneration committee.

For the year ended 31 August 2025, the remuneration committee convened one meeting. The attendance record of the Directors at meeting(s) of the remuneration committee is set out in the table on page 52.

During the meetings, the remuneration committee reviewed the Company's policy and structure for the remuneration of all the Directors and senior management and the remuneration packages of the executive Directors and senior management of the Group, and reviewed and made recommendations to the Board on the remuneration packages of the new executive Director. The remuneration committee has not discussed or decided on any material matters relating to the share schemes during the year ended 31 August 2025.

Details of the remuneration payable to each Director for the year ended 31 August 2025 are set out in note 32 to the consolidated financial statements.

The remuneration of the members of senior management by band for the year ended 31 August 2025 is set out below:

Remuneration bands (RMB)	Number of persons
10,000,001–20,000,000	—
1,000,001–10,000,000	2
0–1,000,000	2
Total	**4**

Nomination Committee

The Company has established a nomination committee in compliance with the CG Code. The primary duties of the nomination committee are to make recommendations to the Board on the appointment of Directors and management of Board succession.

The nomination committee comprises one executive Director, namely Mr. Li, and two independent non-executive Directors, namely Mr. Zhang Zhixue and Ms. Fan Nanan. Mr. Li is the chairman of the nomination committee.

For the year ended 31 August 2025, the nomination committee convened one meeting. The attendance record of the Directors at meeting(s) of the nomination committee is set out in the table on page 52.

During the meeting, the nomination committee reviewed the structure, size, composition and diversity of the Board, assessed the independence of the independent non-executive Directors and made recommendations to the Board on appropriate candidates to serve as the new executive Director.

Board Diversity Policy

The Company has adopted a board diversity policy (the "**Diversity Policy**") which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to enhance the quality of its performance.

Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including, but not limited to, gender, age, culture and educational background, professional qualifications, skills, knowledge and industry and regional experience.

In identifying and selecting suitable candidates to serve as a director of the Company, the nomination committee would consider the above criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board.

The Board will consider setting measurable objectives to implement the Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Board currently has three female Directors out of six Directors, and is committed to improving gender diversity as and when suitable candidates are identified. The Company is of the view that gender diversity in respect of the Board has been achieved. Of the 7,615 employees (including senior management) of the Group as at 31 August 2025, 4,908 are female. Accordingly, the Company considers that gender diversity is also achieved in its workforce generally.

During the Reporting Period, the Board, through the Nomination Committee, has reviewed the implementation and effectiveness of the Diversity Policy and confirm that the Board has an appropriate mix of skills and experience to deliver the Company's strategy.

The nomination committee has reviewed the Diversity Policy in respect of the year ended 31 August 2025 and is of the view that the Diversity Policy has been effectively implemented.

NOMINATION POLICY

On 27 November 2018, the Company also adopted a nomination policy (the "**Nomination Policy**") in accordance with the CG Code, which sets out the procedure for the selection, appointment and reappointment of Directors containing the selection criteria and the Board succession planning considerations. The Nomination Policy is reproduced as follows:

1. Objective

1.1 The nomination committee is committed to ensuring that the Board of Directors has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

1.2 The nomination committee shall identify, consider and recommend suitable individuals to the Board to consider and to make recommendations to the Shareholders for election of Directors at a general meeting either to fill a casual vacancy or as an addition to the Board.

1.3 The nomination committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession planning (the "**Succession Planning**") for Directors, in particular, the chairman of the Board and the chief executive officer of the Company.

1.4 The nomination committee may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

1.5 The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

2. Selection Criteria

2.1 The factors listed below would be used as reference by the nomination committee in assessing the suitability and the potential contribution to the Board of a proposed candidate:

- reputation for integrity;
- professional qualifications and skills;
- accomplishment and experience in the internet services and new retail markets;
- commitment in respect of available time and relevant interest;
- independence of proposed independent non-executive Directors; and

- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service.

2.2 The above factors are for reference only, and not meant to be exhaustive and decisive. The nomination committee has the discretion to nominate any person to the Board, as it considers appropriate.

3. Nomination Procedures

3.1 The secretary of the nomination committee shall call a meeting of the nomination committee, and invite nominations of candidates from the Board, if any, for consideration by the nomination committee prior to its meeting.

3.2 The nomination committee shall nominate candidates for the consideration and recommendation of the board. The nomination committee may propose candidates who are not nominated by the Board. The Board shall have the final decision on all matters in relation to its nomination of any candidates to stand for election at a general meeting.

3.3 The candidate nominated by the Board to stand for election at a general meeting (the "**Board Candidate**", together with the Shareholder Candidate defined in paragraph 3.6 below, the "**Candidate**") will submit the necessary personal information, together with his/her written consent to be elected as a Director and to the publication of his/her personal information for the purpose of or in relation to his/her standing for election as a Director. The nomination committee may request the Board Candidate to provide additional information and documents, if considered necessary.

3.4 A circular will be sent to the Shareholders (the "**Shareholder Circular**") as to provide information of the Board Candidate, and to invite nominations from the Shareholders. The Shareholder Circular will include (i) the period for lodgment (the "**Lodgment Period**") of nominations by the Shareholders; (ii) the personal information of the Board Candidate as required by the applicable laws, rules and regulations, inter alia, name, brief biographies (including qualifications and relevant experience), independence, proposed remuneration.

3.5 Until the issue of the Shareholder Circular, the Board Candidate shall not assume that he/she has been nominated by the Board to stand for election at the general meeting.

3.6 A Shareholder can serve a notice (the "**Notice**") to the company secretary of the Company (the "**Company Secretary**") within the Lodgment Period to propose another person (the "**Shareholder Candidate**") other than the Board Candidate for election as a Director. The Notice (i) must include the personal information of the Shareholder Candidate, as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the Shareholder concerned and signed by the Shareholder Candidate indicating his/her consent to be elected and to the publication of his/her personal information for the purpose of or in relation to his/her standing for election as a Director. The particulars of the Shareholder Candidate will be sent to the Shareholders for information by a supplementary circular.

3.7 The Candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

3.8 The resolution for election of Directors for the Shareholder Candidate shall take the same form as for the Board Candidate.

4. Succession Planning

4.1 The objectives of Succession Planning are to ensure an effective and orderly succession of Directors and to maintain the balance of diversity, collective knowledge and skills of the Board necessary for the effective governance of the Company.

4.2 The following considerations will be used by the nomination committee in making recommendations for the Succession Planning:

4.2.1 Required knowledge, skills and experience at a full Board composite level to effectively fulfill the Board's legal role and responsibilities;

4.2.2 An appropriate balance of diversity across the Board, as set out in Section 2.1 and Section 4 of the Nomination Policy;

4.2.3 Personal qualities of each candidate with reference but not limited to the factors listed in Section 2.1 of the Nomination Policy;

4.2.4 Continuity through a smooth succession of Directors; and

4.2.5 Compliance with the relevant legal and regulatory requirements.

4.3 The above considerations are for reference only, and not meant to be exhaustive and decisive. The nomination committee will review the Succession Planning together with the Board periodically, and recommend revisions, if any, to the Board for consideration and approval.

5. Confidentiality

Unless required by law or any regulatory authority, under no circumstances shall a member of the nomination committee or an employee of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the Shareholder Circular, as the case may be, is issued. Following the issue of the Shareholder Circular, the nomination committee or the Company Secretary or other employee of the Company approved by the nomination committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and the Candidate should not be disclosed.

6. Monitoring and Reporting

The nomination committee will report annually a summary of the Nomination Policy including the nomination procedures, criteria for selection, the diversity policy and the progress made towards achieving these objectives in the Company's corporate governance report.

7. Review of the Policy

The nomination committee will review the Nomination Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

During the Reporting Period, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in its Corporate Governance Report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

ANTI-CORRUPTION

The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The Company has adopted an anti-corruption policy (the "**Anti-corruption Policy**") which sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. The Group has also formulated the Measures for Anti-embezzlement and Reporting Management Mechanism to prevent bribery, extortion, fraud, money laundering and other types of embezzlement.

Please refer to the section headed "Anti-Corruption" in the "Environment, Social and Governance Report 2025" for further details.

WHISTLEBLOWING POLICY AND SYSTEM

The Company has established the whistleblowing policy (the "**Whistleblowing Policy**") for employees to directly report to the internal audit function for any serious concerns about suspected fraud, corruption, malpractice, misconduct or irregularity of the Group. The internal audit function will investigate the reported cases in a confidential and timely manner and report the results of investigations to the Audit Committee.

MECHANISMS TO ENSURE INDEPENDENT VIEWS AND INPUT

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

a. required character, integrity, expertise, experience and stability to fulfill their roles;

b. time commitment and attention to the Company's affairs;

c. firm commitment to their independent roles and to the Board;

d. declaration of conflict of interest in their roles as independent non-executive Directors;

e. no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and

f. the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of such mechanisms and considered they are effective and adequate.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 August 2025.

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

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

Ms. Ren Yandan (appointed on 17 October 2025) obtained legal advice on 16 October 2025, as required under rule 3.09D of the Listing Rules from the legal advisor of the Company and has confirmed that she understood her obligations as a director of a listed company.

The Company acknowledges the importance of directors participating in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant internally-facilitated briefings for directors have been arranged and reading material on relevant topics would be issued to directors where appropriate. They are encouraged to attend relevant training course at the Company's expenses.

The Company arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

During the year ended 31 August 2025, the key methods of attaining continuous professional development by each of the Directors are summarized as follows:

Name of Director	Attending courses/ seminars/conferences	Reading books/ journals/articles
Executive Directors:		
Mr. Li Guangyu	✓	✓
Ms. Li Hua	✓	✓
Ms. Qiu Hongjun *(resigned with effect from 17 October 2025)*	✓	✓
Independent Non-executive Directors:		
Mr. Chen Lei	✓	✓
Mr. Zhang Zhixue	✓	✓
Ms. Fan Nannan	✓	✓

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed PricewaterhouseCoopers, Certified Public Accountants, Hong Kong ("**PricewaterhouseCoopers**") as the external auditor for the year ended 31 August 2025. A statement by PricewaterhouseCoopers about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 68 to 78.

Details of the fees paid/payable in respect of the audit and non-audit services provided by PricewaterhouseCoopers for the year ended 31 August 2025 are set out in the table below:

Services rendered for the Company	Fees paid and payable RMB'000
Audit and audit related services	3,800
Non-audit services	—
Total	3,800

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board had conducted an annual review of the effectiveness of the risk management and internal control system of the Company in respect of the year ended 31 August 2025 and considered the system effective and adequate.

The Group has established an internal control department and each of its schools has designated the relevant personnel who will be responsible for identifying and monitoring the Group's risks and internal control issues and reports directly to the Board of any findings and follow-up actions. Each of the Group's schools is required to adhere strictly to the Group's internal control procedures and report to the internal control team of any risks or internal control measures.

The Group has also adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is responsible for monitoring and implementing the procedural requirements in the information disclosure policy. Release of inside information shall be overseen by the Board. Unless authorised by the Board, staff members of the Group are not permitted to disseminate inside information relating to the Group to any external parties and are not permitted to respond to media or market speculation which may materially affect the trading price or volume of the Shares on the market. Further, Ms. Qiu Hongjun and Mr. Xu Bin are responsible for the internal audit of the Company during the Reporting Period.

In the ordinary course of the Group's business, sensitive data is collected and stored, including, among other things, identity information about our students and our employees, intellectual property, and proprietary business information. The Group manages and maintains our applications and data utilising on-site systems. These applications and data encompass a wide variety of business critical information including commercial information, and business and financial information. The Group has implemented relevant internal procedures and controls to ensure that such sensitive data is protected and that leakage and loss of such data is avoided.

The Company's audit committee and management together monitor the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient. Arrangements are in place to identify, evaluate and manage significant risks including facilitating employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. Our management, under the supervision of our Board or a committee of our Board takes reasonable steps to (i) monitor compliance with the CG Code, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of the CG Code.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

JOINT COMPANY SECRETARIES

Mr. Xu Bin, the joint company secretary, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Ng Ka Man, as the joint company secretary to assist Mr. Xu in discharging the duties of a company secretary of the Company. Ms. Ng's primary contact person at the Company is Mr. Xu Bin, the chief financial officer of the Company. For the year ended 31 August 2025, Mr. Xu and Ms. Ng's have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Ms. Ng is a senior manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. She has over 16 years of experience in the company secretarial field. She is a Chartered Secretary, a Corporate Governance Professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings ("EGM") by Shareholders and Putting Forward Proposal

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. General meetings shall also be convened on the written requisition of any one or more Shareholders deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company.

General meetings may also be convened on the written requisition of any one Shareholder which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them holding not less than one-tenth of the voting rights, on a one vote per share basis, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	31/F, Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong (For the attention of the Board of Directors)
Telephone:	+86 371 6067 3935
Fax:	+86 371 6595 0708
Email:	wangrui@yuhuachina.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

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

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board committees of the Company will attend the annual general meetings to answer Shareholders' questions. The Auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy (the "**Shareholders' Communication Policy**") which aims at (i) promoting effective communication with the Shareholders and other stakeholders; and (ii) encouraging the Shareholders to engage actively with the Company; and enable the Shareholders to exercise their rights as shareholders effectively.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy. The Company is of the view that the Shareholders' Communication Policy has facilitated sufficient Shareholders' communication and considered the policy is effective and adequate.

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 August 2025, the Board proposed to amend the amended and restated memorandum and articles of association of the Company adopted on 17 April 2023 in order to (i) update and bring the memorandum and articles of association in line with the relevant amendments made to the Listing Rules in respect of the electronic dissemination of corporate communications by listed issuers (effective from 31 December 2023); and (ii) make other consequential and housekeeping amendments. The new amended and restated memorandum and articles of association of the Company was adopted on 11 August 2025. Please refer to the Company's circular dated 18 July 2025 for further details.

The latest version of our Articles of Association are available on the websites of the Company and the Stock Exchange.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of China YuHua Education Corporation Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 79 to 87, comprise:

- the consolidated balance sheet as at 31 August 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
(incorporated in the Cayman Islands with limited liability)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Assessment of control over the consolidated affiliated entities through contractual arrangements
- Income taxes for high schools and universities in the Chinese mainland
- Impairment assessment of goodwill and trademark with indefinite useful lives

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of control over the consolidated affiliated entities through contractual arrangements Refer to Note 31.1.1 (a) Major subsidiaries — Consolidation — Subsidiaries controlled through Contractual Arrangements and Note 4 (a) Critical accounting estimates and judgments — Contractual Arrangements to the consolidated financial statements.	In addressing this matter, we had performed the following procedures: — Discussed with management to understand the latest regulatory development and whether there were any changes in facts and circumstances which might have an impact on the Contractual Arrangements; — Evaluated the Company's assessment and judgments on the validity and enforceability of the Contractual Arrangements with the assistance of our internal legal expert and the assessment of the Group's control over Consolidated Affiliated Entities through the Contractual Arrangements;

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
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Key Audit Matter	How our audit addressed the Key Audit Matter
The Group conducts a substantial portion of its business through YuHua Investment Management Co., Ltd, Zhengzhou YuHua Education Investments Co., Ltd, Zhengzhou Hanchen Education Science and Technology Limited, Zhengzhou Qinfeng Education Science and Technology Limited, Changsha Jiuzhao Information Technology Management Company Limited, Henan Gaowen Education Consulting Co., Ltd (the "**VIE Entities**") and their subsidiaries (collectively the "**Consolidated Affiliated Entities**") in the Chinese mainland due to the regulatory requirements that restrict foreign ownership in the high school and university education service industry in the Chinese mainland. The Group does not have any direct legal ownership of equity interest in the Consolidated Affiliated Entities. Nonetheless, through the establishment and implementation of a series of contractual arrangements (the "**Contractual Arrangements**"), the Group has rights to exercise power over the Consolidated Affiliated Entities, has exposure, or rights to variable returns from its involvement with the Consolidated Affiliated Entities, and has ability to affect those returns through its power over the Consolidated Affiliated Entities, and the directors considered that the Group has control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as controlled structured entities under IFRS and consolidates these entities as its indirect subsidiaries in the consolidated financial statements of the Group.	– Obtained the written opinion from the Company's external legal counsel in the People's Republic of China and discussed with them to understand their analysis and views as to the validity and enforceability of the Contractual Arrangements with respect to all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and evaluated whether these evidences support the relevant judgments made by the directors; – Assessed the competency, capabilities and objectivity of the Company's PRC external legal counsel; and – Assessed the adequacy of related disclosures in the consolidated financial statements. Based on the procedures performed, we found the management's judgments on continue to control over the Consolidated Affiliated Entities and therefore consolidate these entities in the consolidated financial statements were supported by the evidence we obtained.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
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Key Audit Matter	How our audit addressed the Key Audit Matter
During the year, the directors reassessed, with the involvement of an external legal counsel appointed by the Company, whether there were any changes in facts and circumstances that may impact the validity and enforceability of the Contractual Arrangements. Based on the results of the assessment, it was concluded that the Contractual Arrangements among the wholly foreign owned entity of the Group, the Consolidated Affiliated Entities and their equity shareholders continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are legally enforceable. Accordingly, the directors are of the view that the Company continues to control over the Consolidated Affiliated Entities and therefore consolidates the Consolidated Affiliated Entities in the consolidated financial statements of the Group as at and for the year ended 31 August 2025. We focus on this area due to the complexity and high level of judgments involved in determining the validity and enforceability of the Contractual Arrangements in order to evaluate whether it is appropriate for the Company to consolidate the Consolidated Affiliated Entities under IFRS, which could have significant and pervasive implications to the consolidated financial statements.	

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INDEPENDENT AUDITOR'S REPORT
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CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
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Key Audit Matter	How our audit addressed the Key Audit Matter
Income taxes for high schools and universities in the Chinese mainland Refer to Note 4(b) Critical accounting estimates and judgments — Current and deferred income taxes and Note 11 Income taxation to the consolidated financial statements. The high schools and the universities in the Chinese mainland within the Group (collectively the "**Schools**") have elected to be private schools whose sponsors do not require reasonable returns. Pursuant to the Implementation Rules for the Law for Promoting Private Education, private schools whose sponsors do not require reasonable returns shall be entitled to the same preferential tax treatments as public schools, which are exempt from the PRC corporate income tax based on historical experience. However, there have been no rules specifying the eligibility of preferential tax treatments for public schools in the Corporate Income Tax Law of the People's Republic of China ("**PRC**") or other relevant tax rules and regulations.	In addressing this matter, we had performed the following procedures: — Evaluated the registration of the Group's Schools as private schools whose sponsors do not require reasonable returns as follows: • Checked the legal documents such as the latest registration documents and articles of the Schools; • Reviewed the board meeting minutes and financial statements of the Schools to make sure no dividend was declared or paid by them; — Discussed with the Group's PRC legal counsel and obtained their legal opinions which confirmed each of the Schools is not required to pay PRC corporate income tax to its respective tax authorities and this is in compliance with applicable laws and regulations in China that those Schools are eligible to apply such preferential tax treatments;

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INDEPENDENT AUDITOR'S REPORT
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CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
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Key Audit Matter	How our audit addressed the Key Audit Matter
Based on the assessment made by management, they considered all these Schools are eligible to apply the preferential tax treatments and no PRC corporate income tax has been provided for these Schools for the year ended 31 August 2025.	– Interviewed the responsible official of the local tax bureau of a selected school to confirm that the selected school is eligible to apply the preferential income tax treatments and are exempt from the PRC corporate income tax, also there is no violation of PRC tax laws;
Significant management judgments are required in determining the provision for PRC corporate income taxes for such Schools in the Chinese mainland as there are uncertainties in interpreting and practical application of the relevant tax rules and regulations in respect of the eligibility of preferential tax treatments by such Schools.	– Assessed the eligibility of applying the preferential tax treatments of selected Schools with the assistance of our internal tax experts by inspecting and understanding the applicable tax laws and regulations, new policies or rules if any, and historical tax returns filed to assess if management's understanding and interpretation could be supported.
Therefore, we focus on this area due to the high level of management judgments involved in determining whether the Group is eligible to apply the preferential tax treatments on the PRC corporate income tax.	Based on the procedures performed, we found management's judgments on the Schools' eligibility to apply preferential tax treatments were supported by the evidence we obtained.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
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Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill and trademark with indefinite useful lives Refer to Note 4(c) Critical accounting estimates and judgments — Estimation of goodwill impairment and trademark impairment and Note 14.2(b) Intangible assets-Impairment tests of goodwill and trademark to the consolidated financial statements. As at 31 August 2025, the Group had net goodwill and trademark with indefinite useful lives balance amounting to RMB862 million and RMB409 million (Note 14.2(b)) respectively from a number of prior year's acquisitions. Management performed impairment assessment with support from an external valuer of goodwill and trademark with indefinite useful lives. The recoverable amounts of the cash-generating units ("**CGUs**") have been determined by management based on the value in use calculations. The value in use calculations use cash flow forecast based on financial budgets approved by the Board which involve the use of judgments applied by management, such as revenue growth rates, earnings before interest and tax margin ("**EBIT margin**"), long-term growth rate and discount rate. Based on the impairment assessment, management considered no impairment of goodwill and trademark with indefinite useful lives was considered necessary for the year ended 31 August 2025.	In addressing this matter, we had performed the following procedures: — Understood and evaluated key controls over management's impairment assessment of goodwill and trademark with indefinite useful lives; — Evaluated management's future cash flow forecasts and compared the management's forecasts to the Board's approved budget; — Tested the mathematical accuracy of the underlying value in use calculations of the CGUs; — Assessed the appropriateness of the valuation models and the discount rate, with the assistance of our internal valuation experts, taking into consideration of the cost of capital of the Group and comparable entities in the similar industry; — Assessed the appropriateness of the revenue growth rates and EBIT margin by considering the latest five-year strategic plans, historical financial information, budget and revenue growth rates and EBIT margin of comparable companies; — Assessed the appropriateness of the long-term growth rates by considering the economic forecasts in China; — Reviewed management's sensitivity analysis on the key drivers of the cash flow forecast, including revenue growth rates, EBIT margin, long-term growth rate and discount rate; — Assessed the competence, capabilities and objectivity of the external valuer engaged by the Group.

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INDEPENDENT AUDITOR'S REPORT
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Key Audit Matter	How our audit addressed the Key Audit Matter
Due to the high level of management judgments and estimation applied in the impairment assessment of goodwill and trademark with indefinite useful lives, we considered it as a key audit matter.	Based on the procedures performed, we found management's judgments and estimation applied in the impairment assessment of goodwill and trademark with indefinite useful lives were supported by the evidence we obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in China Yuhua Education Corporation Limited 2025 annual report (the "**Annual Report**") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information prior to the date of this auditor's report. The remaining other information, including the company profile, corporate information, directors and senior management information, report of directors, corporate governance report, environmental, social and governance report and financial summary and the other sections to be included in the Annual Report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
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RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

羅兵咸永道

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
(incorporated in the Cayman Islands with limited liability)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

羅兵咸永道

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CHINA YUHUA EDUCATION CORPORATION LIMITED (Continued)
(incorporated in the Cayman Islands with limited liability)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leung Wai Kin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 November 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 August 2025 RMB'000	2024 (Note 34) RMB'000
Continuing operations			
Revenue	5	**2,496,819**	2,368,151
Cost of revenue	8	**(1,351,170)**	(1,448,495)
Gross profit		**1,145,649**	919,656
Selling expenses	8	**(19,699)**	(21,530)
Administrative expenses	8	**(241,426)**	(256,902)
Net impairment losses on financial assets	3.1	**(2,234)**	(2,963)
Other income	6	**17,457**	14,605
Other gains/(losses) — net	7	**13,771**	(254,247)
Operating profit		**913,518**	398,619
Finance income	10	**18,499**	22,949
Finance expenses	10	**(33,709)**	(57,400)
Finance expenses — net	10	**(15,210)**	(34,451)
Profit before income tax		**898,308**	364,168
Income taxation	11	**9,497**	10,470
Profit for the year from continuing operations		**907,805**	374,638
Discontinued operations			
Profit for the year from discontinued operations, net of tax	34	**26,815**	29,284
Profit for the year		**934,620**	403,922
Profit attributable to:			
Owners of the Company			
— Continuing operations		**903,061**	369,457
— Discontinued operations	34	**26,815**	29,284
		929,876	398,741

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

	Note	Year ended 31 August 2025 RMB'000	2024 (Note 34) RMB'000
Non-controlling interests			
— Continuing operations		**4,744**	5,181
— Discontinued operations	34	**—**	—
		4,744	5,181
Earnings per share attributable to owners of the Company (RMB Yuan)			
Basic earnings per share			
— For the year	12	**0.23**	0.11
— For the year from continuing operations	12	**0.23**	0.10
Diluted earnings per share			
— For the year	12	**0.23**	0.11
— For the year from continuing operations	12	**0.22**	0.10

The accompanying notes on pages 88 to 192 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 August 2025 RMB'000	2024 RMB'000
Profit for the year			
— Continuing operations		**907,805**	374,638
— Discontinued operations	34	**26,815**	29,284
Other comprehensive income for the year			
— Continuing operations			
Items that may be reclassified to profit or loss			
Currency translation differences		**(3,304)**	9,362
Items that will not be reclassified to profit or loss			
Changes in fair value related to the changes in credit risk of Convertible Bonds		**104,710**	114,589
Currency translation differences		**479**	(2,329)
Total other comprehensive income of continuing operations		**101,885**	121,622
— Discontinued operations			
Items that may be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	9	**(66)**	651
Currency translation differences	34	**(9,164)**	(1,578)
Total other comprehensive income of discontinuing operations		**(9,230)**	(927)
Other comprehensive income for the year, net of tax		**92,655**	120,695
Total comprehensive income for the year		**1,027,275**	524,617
Total comprehensive income for the year attributable to:			
Owners of the Company		**1,022,531**	519,436
Non-controlling interests		**4,744**	5,181
		1,027,275	524,617

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 August 2025 RMB'000	2024 RMB'000
Total comprehensive income for the year attributable to owners of the Company arises from:			
— Continuing operations		**1,004,946**	491,079
— Discontinued operations	34	**17,585**	28,357
		1,022,531	519,436

The accompanying notes on pages 88 to 192 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	Note	As at 31 August 2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	13.2(a)	**7,252,370**	7,084,757
Intangible assets	14	**1,362,735**	1,451,810
Right-of-use assets	13.2(b)	**1,654,488**	1,833,494
Trade and other receivables	17	**106,587**	—
Other non-current assets	16	**53,258**	11,625
Total non-current assets		**10,429,438**	10,381,686
Current assets			
Trade and other receivables	17	**99,897**	66,697
Restricted cash	18(b)	**2,190**	681
Cash and cash equivalents	18(a)	**1,730,448**	2,090,467
Term deposits with initial term of over three months	19	**46,640**	—
Total current assets		**1,879,175**	2,157,845
Total assets		**12,308,613**	12,539,531
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	21	**36**	30
Share premium	21	**1,992,909**	1,762,405
Reserves	22	**1,318,135**	1,445,104
Retained earnings		**5,478,192**	4,281,181
		8,789,272	7,488,720
Non-controlling interests		**50,667**	45,080
Total equity		**8,839,939**	7,533,800

	Note	As at 31 August 2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	15	**435,471**	475,868
Deferred income		**161,360**	164,910
Lease liabilities	13.2(b)	**1,551**	16,052
Borrowings	25	**353,980**	286,990
Total non-current liabilities		**952,362**	943,820
Current liabilities			
Accruals and other payables	24	**1,389,243**	1,193,805
Contract liabilities	5	**840,589**	1,013,408
Lease liabilities	13.2(b)	**3,520**	7,360
Borrowings	25	**282,960**	1,098,010
Financial liabilities at fair value through profit or loss	26	**–**	749,328
Total current liabilities		**2,516,312**	4,061,911
Total liabilities		**3,468,674**	5,005,731
Total equity and liabilities		**12,308,613**	12,539,531

The accompanying notes on pages 88 to 192 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 79 to 87 were approved by the Board of Directors on 28 November 2025 and were signed on its behalf.

Li Hua
Director

Ren Yandan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital (Note 21) RMB'000	Share premium (Note 21) RMB'000	Capital reserve (Note 22(a)) RMB'000	Statutory surplus reserve (Note 22(b)) RMB'000	Share-based payments reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 September 2023		30	1,762,405	(134,067)	1,233,478	112,904	17,655	3,961,268	6,953,673	39,899	6,993,572
Total comprehensive income											
Profit for the year		–	–	–	–	–	–	398,741	398,741	5,181	403,922
Currency translation differences		–	–	–	–	–	5,455	–	5,455	–	5,455
Changes in fair value related to the changes in credit risk of Convertible Bonds		–	–	–	–	–	114,589	–	114,589	–	114,589
Net gain on remeasurement of defined benefit plan		–	–	–	–	–	651	–	651	–	651
Total comprehensive income for the year		–	–	–	–	–	120,695	398,741	519,436	5,181	524,617
Transaction with owners in their capacity as owners:											
Profit appropriation to statutory surplus reserves	22	–	–	–	78,828	–	–	(78,828)	–	–	–
Share-based compensation	8,23	–	–	–	–	15,611	–	–	15,611	–	15,611
		–	–	–	78,828	15,611	–	(78,828)	15,611	–	15,611
At 31 August 2024		30	1,762,405	(134,067)	1,312,306	128,515	138,350	4,281,181	7,488,720	45,080	7,533,800
At 1 September 2024		**30**	**1,762,405**	**(134,067)**	**1,312,306**	**128,515**	**138,350**	**4,281,181**	**7,488,720**	**45,080**	**7,533,800**
Total comprehensive income											
Profit for the year		–	–	–	–	–	–	929,876	929,876	4,744	934,620
Currency translation differences		–	–	–	–	–	(11,989)	–	(11,989)	–	(11,989)
Changes in fair value related to the changes in credit risk of Convertible Bonds		–	–	–	–	–	104,710	–	104,710	–	104,710
Net loss on remeasurement of defined benefit plan		–	–	–	–	–	(66)	–	(66)	–	(66)
Total comprehensive income for the year		–	–	–	–	–	92,655	929,876	1,022,531	4,744	1,027,275
Transfer of changes in fair value related to the changes in the credit risk of Convertible Bonds due to the termination of Convertible Bonds		–	–	–	–	–	(369,382)	369,382	–	–	–
		–	–	–	–	–	(276,727)	1,299,258	1,022,531	4,744	1,027,275
Transaction with owners in their capacity as owners:											
Ordinary shares to be issued	26.2(c)	–	–	–	–	–	230,510	–	230,510	–	230,510
Issue of ordinary shares	21	6	230,504	–	–	–	(230,510)	–	–	–	–
Issue of warrants	26.2(c)	–	–	–	–	–	31,939	–	31,939	–	31,939
Profit appropriation to statutory surplus reserves	22	–	–	–	92,057	–	–	(92,057)	–	–	–
Share-based compensation	8,23	–	–	–	–	15,572	–	–	15,572	–	15,572
Disposal of subsidiaries in Thailand		–	–	–	–	–	10,190	(10,190)	–	843	843
		6	230,504	–	92,057	15,572	42,129	(102,247)	278,021	843	278,864
At 31 August 2025		36	1,992,909	(134,067)	1,404,363	144,087	(96,248)	5,478,192	8,789,272	50,667	8,839,939

The accompanying notes on pages 88 to 192 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 August 2025 RMB'000	2024 (Note 34) RMB'000
Cash flows from operating activities			
Cash generated from operations (continuing operations)	27(a)	**1,621,312**	1,683,570
Interest paid		**(36,777)**	(59,399)
Interest received		**18,312**	23,231
Income tax paid		**—**	(2,426)
Continuing operations		**1,602,847**	1,644,976
Discontinued operations		**29,191**	44,474
Net cash generated from operating activities		**1,632,038**	1,689,450
Cash flows from investing activities			
Purchases of property, plant and equipment		**(857,077)**	(1,811,341)
Purchases of intangible assets		**(5,114)**	(59,438)
Payment of land use rights		**—**	(36,899)
Proceeds from disposal of land use rights		**—**	24,000
Proceeds from disposal of property, plant and equipment	27(a)	**2,921**	3,127
Changes in term deposits with initial term of over three months		**(46,640)**	—
Changes in restricted cash		**(1,509)**	(129)
Cash and cash equivalents held by the disposal subsidiaries in Thailand	34	**(131,467)**	—
Proceeds received from disposal subsidiaries in Thailand	34	**178,984**	—
Refund of deposit payment related to land-use-rights	7	**4,738**	—
Continuing operations		**(855,164)**	(1,880,680)
Discontinued operations		**(17,393)**	(1,429)
Net cash used in investing activities		**(872,557)**	(1,882,109)

	Note	Year ended 31 August 2025 RMB'000	2024 (Note 34) RMB'000
Cash flows from financing activities			
Proceeds from borrowings		**350,000**	1,168,000
Repayments of borrowings		**(1,098,060)**	(1,239,900)
Borrowings from a related party	29(b)	**61,000**	—
Principal elements of lease payments		**(3,670)**	(10,409)
Repurchase of the Convertible Bonds	26.2(c)	**(29,438)**	—
Redemption of the Convertible Bonds	26.2(c)	**(397,921)**	—
Continuing operations		**(1,118,089)**	(82,309)
Discontinued operations		**(787)**	(1,600)
Net cash used in financing activities		**(1,118,876)**	(83,909)
Net decrease in cash and cash equivalents		**(359,395)**	(276,568)
Cash and cash equivalents at beginning of the year		**2,090,467**	2,370,966
Exchange losses on cash and cash equivalents		**(624)**	(3,931)
— Continuing operations		**(624)**	(3,931)
— Discontinued operations		**—**	—
Cash and cash equivalents at end of the year		**1,730,448**	2,090,467

The accompanying notes on pages 88 to 192 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China YuHua Education Corporation Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") is principally engaged in the provision of private formal education from high school to university education services in Chinese mainland and the Kingdom of Thailand ("**Thailand**") (the "**Business**"). The Group's operations in Thailand were disposed of during the year (Note 34).

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

As further described in Notes 31.1.1(a) and 4(a) to the consolidated financial statements, due to the regulatory restrictions on foreign ownership of schools in Chinese mainland, the Group conducts a substantial portion of its businesses through control of certain entities established in Chinese mainland, together with their wholly owned schools, by way of contractual agreements. During the year, the Board of Directors re-assessed and concluded that the contractual agreements continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are legally enforceable. The directors of the Company ("**Directors**") are of the view that the Group continues to control these entities. Accordingly, the Group continues to consolidate these entities in the consolidated financial statements.

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

The financial statements are presented in Renminbi ("**RMB**").

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") and requirements of the Hong Kong Companies Ordinance (Cap. 622 of the laws of Hong Kong).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1 Going concern

As at 31 August 2025, the Group's current liabilities exceeded its current assets by RMB637,137,000. Management has considered the Group's operating performance, cash flows, liquidity and available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern, taking into account the following:

(i) Contract liabilities of RMB840,589,000 (included in current liabilities as at 31 August 2025) represent tuition and boarding fees received in advance. The satisfaction of such liabilities would be through provision of the Group's services requiring operating cash outflows at significantly less amounts than the carrying amount of such liabilities;

(ii) The creditor of the net payables to the Affected Business upon deconsolidation (Note 24) of RMB673,530,000 (included in current liabilities as at 31 August 2025) has confirmed that the settlement of such net payables would only be necessary when the Group has the sufficient liquidity to do so;

(iii) The Group and the Company had cash and cash equivalents of RMB1,730,448,000 and RMB106,708,000 respectively as at 31 August 2025.

Based on the above considerations, management concluded that the Group would have sufficient financial resources to support its operations and to meet its financial obligations and commitments and continue as a going concern, as and when they fall due on the coming twelve months from 31 August 2025.

The Directors have reviewed the management's assessment together with the underlying basis and are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2 BASIS OF PREPARATION (CONTINUED)

2.2 New and amended standards adopted by the Group

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

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

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

2.3 New and amended standards and annual improvements not yet adopted

The following new, amendments to accounting standards and annual improvement have been published and are not mandatory for the year ended 31 August 2025 reporting periods and have not been early adopted by the Group.

- *Amendments to IAS 21 — lack of Exchangeability (effective for annual periods beginning on or after January 1, 2025)*
- *Amendments to the Classification and Measurement of Financial Instruments — amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)*
- *Annual Improvements to IFRS — Volume 11 (effective for annual periods beginning on or after January 1, 2026)*
- *IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)*

2 BASIS OF PREPARATION (CONTINUED)

2.3 New and amended standards and annual improvements not yet adopted (Continued)

These new standards, amendments and annual improvements listed above are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for the IFRS 18 presentation and disclosure in financial statements ("**IFRS 18**").

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

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

    — Foreign exchange differences currently aggregated in the line item "other gains/(losses), net and finance income, net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the Group will disaggregate goodwill and other intangible assets and present them separately in the balance sheet.

2 BASIS OF PREPARATION (CONTINUED)

2.3 New and amended standards and annual improvements not yet adopted (Continued)

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation and disaggregation principles. In addition, there will be significant new disclosures required for:

  — management-defined performance measures (non-IFRS adjusted net profit);

  — a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statement of profit or loss and other comprehensive income — this break-down is only required for certain nature expenses; and

  — for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of consolidated statement of profit or loss and other comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of September 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending August 31, 2026, will be restated in accordance with IFRS 18.

3 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement
Market risk — foreign exchange	Recognised financial assets and liabilities not denominated in RMB	Sensitivity analysis
Market risk — interest rate	Borrowings carried at floating rates	Sensitivity analysis
Credit risk	Cash and cash equivalents, restricted cash, trade and other receivables and financial assets at fair value through profit or loss	Aging analysis Credit ratings
Liquidity risk	Borrowings and other liabilities	Maturity analysis

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group regularly monitors its exposure and currently has not used any derivative financial instruments to hedge any of these financial risks.

3.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The Group primarily operates in Chinese mainland with most of the transaction settled in RMB. The functional currencies of Group's subsidiaries in Chinese mainland and Thailand is RMB and THB respectively, while the functional currency of the Company and subsidiaries outside Chinese mainland and Thailand is HK$. Both the entities in and outside Chinese mainland have assets and liabilities like cash at bank and on hand, short-term bank deposits and term deposits with initial term of over three months. Foreign exchange risk arises from the fluctuation in exchange rates.

The Group has continued to closely monitor and manage its exposure to fluctuation in foreign exchange rates during the year. The Group did not enter into any forward contract to manage its exposure to foreign exchange risk for the year.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currency of the respective group entities are as follows:

	As at 31 August 2025	
	US$ (functional currency — HK$) RMB'000	**US$ (functional currency — RMB) RMB'000**
Cash at bank and on hand	**35,556**	**7,408**
Short-term bank deposits	**45,459**	**—**
Cash and cash equivalents	**81,015**	**7,408**

	As at 31 August 2024	
	US$ (functional currency — HK$) RMB'000	US$ (functional currency — RMB) RMB'000
Cash at bank and on hand	134,058	7,985
Short-term bank deposits	128,444	—
Cash and cash equivalents	262,502	7,985

As shown in the table above, the Group is primarily exposed to changes in US$/HK$ and US$/RMB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Impact on post tax profit		
US$/RMB exchange rate — weaken 5%	**(370)**	(399)
US$/RMB exchange rate — strengthen 5%	**370**	399
US$/HK$ exchange rate — weaken 5%	**(4,051)**	(13,125)
US$/HK$ exchange rate — strengthen 5%	**4,051**	13,125

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent from changes in market interest rate. Borrowings carried at floating rates expose the Group to cash flow interest-rate risk, which is partially offset by cash held at variable rates.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period is as follows:

	As at 31 August 2025		As at 31 August 2024	
	RMB'000	**% of total borrowings**	RMB'000	% of total borrowings
Variable rate borrowings	**636,940**	**100.00%**	1,385,000	100.00%

An analysis by maturities is provided in Note 3.1(c). The percentage of total loans shows the proportion of borrowings that are currently at variable rates in relation to the total amount of borrowings. As at 31 August 2025, if the interest rates on bank borrowings and cash and cash equivalents had been 50 basis points higher/lower, with all other variables held constant, the Group's net profit for the year would have been RMB3,185,000 (2024: RMB6,925,000) lower/higher.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management

Credit risk is managed on a Group basis. The Group's maximum exposure to credit risk is the carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables and financial assets at fair value through profit or loss shown on consolidated balance sheets.

As at 31 August 2025, 98% (2024: 88%) of the Group's cash and cash equivalents, restricted cash, term deposits with initial term of over three months were held in reputable and listed banks, which management believes are of high credit quality. The rest are deposited in local banks or financial institutions with good reputation. Management does not expect any losses from non-performance by these counterparties.

(ii) Impairment of financial assets

The Group has following types of financial assets that are subject to the expected credit loss model:

- trade receivables for provision of services;

- other receivables carried at amortised cost.

While cash and cash equivalents, restricted cash, term deposits with initial term of over three months are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance was determined as follows for trade receivables:

As at 31 August 2025	Within 1 year past due	1–2 years past due	More than 2 years past due	Total
Expected loss rate	35.34%	100%	100%	
Gross carrying amount — trade receivables (RMB'000)	5,787	939	2,504	9,230
Loss allowance (RMB'000)	2,045	939	2,504	5,488

As at 31 August 2024	Within 1 year past due	1–2 years past due	More than 2 years past due	Total
Expected loss rate	26.87%	100%	100%	
Gross carrying amount — trade receivables (RMB'000)	7,790	4,970	1,818	14,578
Loss allowance (RMB'000)	2,093	4,970	1,818	8,881

As at 31 August 2025, there was no specific provisions (2024: Nil) has been provided against trade receivables.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Loss allowance		
At beginning of the year	**(8,881)**	(6,762)
Increase in loss allowance recognised in profit or loss	**(1,994)**	(4,850)
— Continuing operations	**(1,994)**	(3,354)
— Discontinued operations	**—**	(1,496)
Provision reversed	**559**	31
— Continuing operations	**363**	31
— Discontinued operations	**196**	—
Receivables written off as uncollectible	**3,995**	2,700
Disposal of subsidiaries in Thailand	**833**	—
At end of the year	**(5,488)**	(8,881)

Other receivables carried at amortised cost

The Group assesses the expected credit losses of other receivables on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Other receivables at amortised cost include receivables from local government, staff advance and others. The loss allowance for other receivables at amortised cost for the year was not material.

The Group applies the IFRS 9 general approach to measuring expected credit losses for all other receivables. The Directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the years. Other receivables at the end of reporting period were mainly deposits from third parties. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables carried at amortised cost (Continued)

- actual or expected significant changes in the operating results of the counterparty.

- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.

The Group uses the expected credit loss model to determine the expected loss provision for other receivables. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage 1	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2	Interest and/or principal repayments are 90 days past due, or other objective internal and external information indicating a significant increase in credit risk since initial recognition but have not yet experienced credit impairment.	Lifetime expected losses
Stage 3	Interest and/or principal repayments are 180 days past due, or it becomes probable a customer will enter bankruptcy.	Lifetime expected losses

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables carried at amortised cost (Continued)

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Other receivables				
At August 31, 2025				
Gross carrying amount	**201,838**	**–**	**–**	**201,838**
Loss allowance provision	**(1,340)**	**–**	**–**	**(1,340)**
Other receivables				
At August 31, 2024				
Gross carrying amount	59,208	–	–	59,208
Loss allowance provision	(737)	–	–	(737)

The loss allowance for trade receivables and other receivables as at August 31, 2025 and 2024 reconciles to the opening loss allowance of continuing operations were as follows:

	Year ended 31 August	
	2025 **RMB'000**	2024 RMB'000
Impairment losses		
Movement in loss allowance for trade receivables	**1,631**	3,323
Movement in loss allowance for other receivables	**603**	(360)
Net impairment losses on financial assets	**2,234**	2,963

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and financing from bank borrowings.

The maturity analysis of borrowings that shows the remaining contractual maturities is disclosed in Note 25. Generally there is no specific credit period granted by the suppliers but the related payables are normally expected to be settled within three months after receipt of goods or services.

As at 31 August 2025, the Group has cash and cash equivalents of approximately RMB1,730,448,000 (2024: RMB2,090,467,000) (Note 18), trade receivables of approximately RMB3,742,000 (2024: RMB5,697,000) (Note 17) that are expected to readily generate cash inflows for managing liquidity risk.

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

Contractual maturities of financial liabilities	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over five years RMB'000	Total RMB'000	Carrying Amount at year end RMB'000
As at 31 August 2025						
Borrowings (principal plus interests)	292,334	273,628	92,060	–	658,022	636,940
Lease liabilities	3,596	132	396	1,189	5,313	5,071
Accruals and other payables (excluding non-financial liabilities)	1,340,743	–	–	–	1,340,743	1,340,743
	1,636,673	273,760	92,456	1,189	2,004,078	1,982,754

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Contractual maturities of financial liabilities	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over five years RMB'000	Total RMB'000	Carrying Amount at year end RMB'000
As at 31 August 2024						
Borrowings (principal plus interests)	1,125,080	27,163	274,366	–	1,426,609	1,385,000
Convertible Bonds	892,925	–	–	–	892,925	749,328
Lease liabilities	7,485	8,266	6,970	1,322	24,043	23,412
Accruals and other payables (excluding non-financial liabilities)	1,103,676	–	–	–	1,103,676	1,103,676
	3,129,166	35,429	281,336	1,322	3,447,253	3,261,416

3.2 Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following ratio:

Total liability (as shown in the balance sheet)
divided by
Total asset (as shown in the balance sheet)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management (Continued)

The liability-to-asset ratios of the Group were as follows:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Total liabilities	**3,468,674**	5,005,731
Total assets	**12,308,613**	12,539,531
The liability-to-asset ratio	**28.2%**	39.9%

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 August 2025	**Level 3 RMB'000**	**Total RMB'000**
Liabilities		
Financial liabilities at fair value through profit or loss (Note 26)	–	–

Recurring fair value measurements At 31 August 2024	Level 3 RMB'000	Total RMB'000
Liabilities		
Financial liabilities at fair value through profit or loss (Note 26)	749,328	749,328

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers into and out of level 3 measurements see (b) below.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 financial liabilities for the year ended 31 August 2025:

	Convertible Bonds (Level 3) RMB'000	**Warrants (Level 3)** RMB'000	**Total (level 3)** RMB'000
At beginning of the year	**749,328**	**—**	**749,328**
Additions	—	19,097	19,097
Settlements	(628,768)	(31,939)	(660,707)
Repurchase of Convertible Bonds	(47,186)	—	(47,186)
Losses recognised in profit or loss (Note 7)	24,190	13,145	37,335
Gains recognised in other comprehensive income — changes in fair value that is attributable to changes to the liability's credit risk	(104,710)	—	(104,710)
Exchange difference	7,146	(303)	6,843
At end of the year	**—**	**—**	**—**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3) (Continued)

As at 31 August 2025, the carrying amounts of the Group's financial assets, including cash and cash equivalents, restricted cash, term deposits with initial term of over three months and trade and other receivables, and financial liabilities, including accruals and other payables, approximated their fair values due to the short maturities.

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

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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Group's valuation processes

The fair value of the financial liabilities at fair value through profit or loss is determined by reference to the valuation performed by an independent valuer engaged by management of the company using the Binomial Model. When estimating the fair value of the financial liabilities at fair value through profit or loss, scenarios of full repayment and partial repayment upon maturity are considered with the key inputs of risk free rate, bond yield, volatility, dividend yield and etc.

The valuation technique adopted is scenario-based discounted cash flows method.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Contractual Arrangements

As described in Notes 1 and 31.1.1(a), the Group conducts a substantial portion of its business through the Consolidated Affiliated Entities due to the regulatory restrictions on the foreign ownership in the Group's schools in the Chinese mainland. The Group does not have any equity interest in the Consolidated Affiliated Entities. The Directors have assessed whether or not the Group has control over the Consolidated Affiliated Entities, i.e. whether the Group has existing rights that give it the current ability to direct the relevant activities; rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities through the Contractual Agreements. Based on the assessment, the Directors concluded that the Group continues to control the Consolidated Affiliated Entities. Accordingly, the financial positions and the operating results of the Consolidated Affiliated Entities are included in the Group's consolidated financial statements throughout the year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(a) Contractual Arrangements (Continued)

However, the Contractual Agreements may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities. Uncertainties presented in the PRC legal system may cause the relevant regulatory authorities not to take the same position as the Group in respect of the legality, binding effect and enforceability of each of the contractual arrangements, and it may result in a material and adverse effect on the Group's ability to conduct the Group's businesses, and impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities. In addition, if the imposition of any of penalties causes the Group to lose the rights to direct the activities of the VIE Entities or the right to receive its economic benefits, the Group would no longer be able to consolidate the VIE Entities.

The Directors, based on the advice of its legal counsel, has concluded that (i) the ownership structures of the VIE Entities are not in violation of any existing PRC law or regulation in any material respect; and (ii) each of the Contractual Agreements is valid, legally binding and enforceable to each party of such agreements and will not result in any violation of PRC laws or regulations currently in effect.

(b) Current and deferred income taxes

All the high schools and universities in Chinese mainland within the Group are private schools do not require reasonable returns under Law for Promoting Private Education. Pursuant to the former effective Law for Promoting Private Education and its implementation regulations, private schools whose sponsors do not require reasonable returns under the former effective Law for Promoting Private Education shall be entitled to the same preferential tax treatment as public schools, which are exempt from PRC corporate income tax based on historical experiences. PRC corporate income tax has not been provided on the tuition and boarding income during the year for the Group's high schools and universities in the Chinese mainland as they are eligible to apply the preferential corporate income tax treatment based on the assessment made by management.

However, there have been no rules specifying the preferential tax treatment enjoyed by public schools in Corporate Income Tax Law of the People's Republic of China or other relevant tax rules and regulations. Significant judgment is required in determining the provision for income taxes as there are uncertainties in interpreting the relevant tax rules and regulations with respect to the preferential tax treatment enjoyed by the schools. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. Further information may become available that causes the Group to change its judgment regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Current and deferred income taxes (Continued)

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred tax assets mainly involved management's judgments and estimations about the timing and the amount of taxable profits of the companies who had tax losses.

The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group has the ability to control the timing of the distribution from the aggregate undistributed earnings of the Group's Consolidated Affiliated Entities in Chinese mainland, and the Group has no intention to distribute such earnings to the Group's entities outside of Chinese mainland in the foreseeable future, accordingly, despite an assessable temporary difference on such retained earnings exists, no deferred income tax liabilities has been recognised in the consolidated financial statements.

(c) Estimation of goodwill impairment and trademark impairment

The goodwill and the trademark arose from the acquisition of subsidiaries. Trademark is typically not a CGU and should not normally be tested alone. The Group tests whether goodwill and trademark have suffered any impairment on an annual basis in accordance with the accounting policy stated in Note 14.1.2. The recoverable amount of a CGU is determined based on the higher of FVLCD and VIU which requires the use of estimates and valuation techniques. When applying valuation technique, the Group relies on judgments on key assumptions including revenue growth rates, earnings before interest and tax margin ("**EBIT margin**"), long-term growth rate and discount rate.

Details of key assumptions are disclosed in Note 14.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of private formal education from high school (Grade 10 to 12) to university and vocational college education services in Chinese mainland and Thailand. The Group's operation in Thailand has been disposed of during the year (Note 34).

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

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

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

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

The Group has a large number of customers, no single customer accounted for more than 10% of the Group's total revenue for the years ended 31 August 2025 and 31 August 2024.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	High Schools RMB'000	Universities and Vocational college RMB'000	Unallocated RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Year ended 31 August 2025					
Continuing operations					
Revenue	144,012	2,352,807	781	(781)	2,496,819
Cost of revenue	(107,090)	(1,244,080)	–	–	(1,351,170)
Gross profit	36,922	1,108,727	781	(781)	1,145,649
Selling expenses	(264)	(19,435)	–	–	(19,699)
Administrative expenses	(19,256)	(199,703)	(23,248)	781	(241,426)
Net impairment losses on financial assets	–	(1,792)	(442)	–	(2,234)
Other income	234	17,189	34	–	17,457
Other gains/(losses) — net	4,180	(8,902)	18,493	–	13,771
Operating profit	21,816	896,084	(4,382)	–	913,518
Finance income/(expenses) — net	2,645	(14,215)	(4,509)	869	(15,210)
Profit before income tax	24,461	881,869	(8,891)	869	898,308
Income taxation	425	9,072	–	–	9,497
Profit for the year	24,886	890,941	(8,891)	869	907,805
Profit for the year from discontinued operations	–	26,815	–	–	26,815
As at 31 August 2025					
Total assets	1,520,329	14,774,156	3,246,181	(7,232,053)	12,308,613
Total liabilities	442,145	4,536,340	5,766,587	(7,276,398)	3,468,674
Other segment information					
Additions to non-current assets	29,405	946,880	11,164	–	987,449
— Continuing operations	29,405	928,772	11,164	–	969,341
— Discontinued operations	–	18,108	–	–	18,108
Depreciation and amortisation	(39,231)	(709,997)	(2,639)	–	(751,867)
— Continuing operations (Note 8)	(39,231)	(698,893)	(2,639)	–	(740,763)
— Discontinued operations	–	(11,104)	–	–	(11,104)
Losses on disposal of property, plant and equipment and disposal of intangible assets	(554)	(3,636)	–	–	(4,190)
— Continuing operations (Note 7)	(554)	(3,636)	–	–	(4,190)
— Discontinued operations	–	–	–	–	–
Borrowings (Note 25)	–	(636,940)	–	–	(636,940)

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	High Schools RMB'000	Universities and Vocational college RMB'000	Unallocated RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Year ended 31 August 2024					
Continuing operations					
Revenue	151,694	2,216,457	30,191	(30,191)	2,368,151
Cost of revenue	(107,117)	(1,362,297)	—	20,919	(1,448,495)
Gross profit	44,577	854,160	30,191	(9,272)	919,656
Selling expenses	(1,556)	(19,974)	—	—	(21,530)
Administrative expenses	(9,593)	(235,641)	(23,506)	11,838	(256,902)
Net impairment losses on financial assets	—	(2,963)	—	—	(2,963)
Other income	420	14,163	22	—	14,605
Other losses — net	(20,134)	(195,592)	(38,521)	—	(254,247)
Operating profit	13,714	414,153	(31,814)	2,566	398,619
Finance income/(expenses) — net	2,988	(25,184)	(11,959)	(296)	(34,451)
Profit before income tax	16,702	388,969	(43,773)	2,270	364,168
Income taxation	425	12,471	(2,426)	—	10,470
Profit for the year	17,127	401,440	(46,199)	2,270	374,638
Profit for the year from discontinued operations	—	29,284	—	—	29,284
As at 31 August 2024					
Total assets	1,524,347	14,865,373	3,221,551	(7,071,740)	12,539,531
Total liabilities	471,095	5,738,498	6,291,965	(7,495,827)	5,005,731
Other segment information					
Additions to non-current assets	19,046	1,890,343	—	—	1,909,389
— Continuing operations	19,046	1,884,757	—	—	1,903,803
— Discontinued operations	—	5,586	—	—	5,586
Depreciation and amortisation	(31,981)	(626,059)	(2,675)	—	(660,715)
— Continuing operations (Note 8)	(31,981)	(612,583)	(2,675)	—	(647,239)
— Discontinued operations	—	(13,476)	—	—	(13,476)
Losses on disposal of property, plant and equipment and disposal of intangible assets	(1,051)	(10,055)	—	—	(11,106)
— Continuing operations (Note 7)	(1,051)	(10,055)	—	—	(11,106)
— Discontinued operations	—	—	—	—	—
Borrowings (Note 25)	—	(1,165,000)	(220,000)	—	(1,385,000)

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information by location is set out below.

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Revenue from external customers		
Chinese mainland	**2,496,819**	2,368,151

Disaggregation of revenue from contracts with customers.

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Tuition and boarding fees	**2,488,131**	2,358,091
Others	**8,688**	10,060
	2,496,819	2,368,151

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Chinese mainland	**10,322,851**	10,121,780
Thailand	**—**	259,906
Others (a)	**106,587**	—
	10,429,438	10,381,686

(a) As at 31 August 2025, all non-current assets of the Group were located in Chinese Mainland, except for the receivables due from the disposed subsidiaries in Thailand amounting to RMB106,587,000 (Note 17).

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Contract liabilities

The Group has recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation and will be expected to be recognised within one year:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Contract liabilities related to tuition and boarding fees (a)	**840,505**	1,012,102
Revenue from property management and training programs	**84**	1,306
	840,589	1,013,408

(a) The Group in general receives annual tuition and boarding fees from students in advance prior to the beginning of each academic year. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to a refund of their advanced payment on a proportional basis up to the time when the students no longer require the Group's services.

Changes in the contract liability balances during the year are as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	**1,013,408**	729,591
Revenue recognised that was included in the balance of contract liabilities at beginning of the year	**(1,013,408)**	(729,591)
Increases due to cash received, excluding amounts recognised as revenue during the year	**840,589**	1,013,408
At end of the year	**840,589**	1,013,408

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Contract liabilities (Continued)

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at beginning of the year		
Tuition and boarding fees	**1,012,102**	725,198
Others	**1,306**	4,393
	1,013,408	729,591

(ii) Unsatisfied contracts

	Year ended 31 August 2025
	RMB'000
Expected to be recognised within one year	
Tuition and boarding fees	**840,505**
Others	**84**
	840,589

As at 31 August 2025, the contract liabilities were expected to be recognised within one year. As the contract terms with customers usually within 12 months, the Group applied the practical expedient as permitted under IFRS 15 not to disclose the transaction price allocated to unsatisfied performance obligations as at 31 August 2025.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition

Revenues are recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the business model, terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The Group's service income includes tuition fees and boarding fees from universities and high schools and property management service fee.

Tuition and boarding fees are generally received in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the terms of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities. Amounts which will be earned within one year is reflected as a current liability, and those which will be earned beyond one year is reflected as a non-current liability.

Property management service fee is received and recognised on a monthly basis, and the customer receives and consumes the benefits concurrently in each month.

Revenue from research projects is recognised at a point in time when the services are rendered and accepted by the customers.

Revenue from training programs is recognised proportionately over the terms of the applicable programs.

Revenue from school hospital service and other service are recognised at a point in time when the services are rendered and accepted by the customers.

6 OTHER INCOME

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Government grants and subsidies	**7,559**	8,220
Auxiliary income from school operations	**5,749**	4,706
Examination fee income	**4,149**	1,679
	17,457	14,605

7 OTHER GAINS/(LOSSES) — NET

	Note	Year ended 31 August 2025 RMB'000	2024 RMB'000
Fair value loss on Convertible Bonds	3.3	**(24,190)**	(55,568)
Losses on redemption of Convertible Bonds	26.2(c)	**(18,075)**	—
Fair value loss on Warrants	3.3	**(13,145)**	—
Losses on disposal of property, plant and equipment and intangible assets		**(4,190)**	(11,106)
Gains on repurchase of Convertible Bonds	26.2(c)	**16,928**	—
Provision for legal claims (a)		**(4,661)**	(17,401)
Penalty		**(665)**	—
Impairment loss recognised in respect of goodwill	14	**—**	(180,708)
Write-off of other non-current assets		**—**	(6,571)
Gains on disposal of land use rights		**—**	17,049
Donation		**56**	58
Reversal of write-off of other non-current assets		**4,738**	—
Gains from disposal of subsidiaries in Thailand	34	**56,975**	—
		13,771	(254,247)

(a) During the year ended 31 August 2024, on 15 December 2023, the Intermediate People's Court of Changsha City in the Hunan Province handed down a final judgment that Hunan Lie Ying Industry Co., Ltd. ("**Hunan Lie Ying**"), a wholly owned subsidiary acquired by the Group in 2017, is liable to pay up the capital of Hunan Su Yue Sen Construction Engineering Co., Ltd. amounting to RMB17,401,000, where Hunan Lie Ying was a shareholder prior to 2013. The amount was recognised as other losses in the income statement.

During the year ended 31 August 2025, legal claims in relation to compensation for contract disputes and labor litigation compensation amounting to RMB4,661,000.

8 EXPENSES BY NATURE

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses	**595,550**	664,351
— Wages, salaries, bonus and other welfare (Note 9)	**579,978**	648,740
— Share-based compensation expenses (Note 23(a))	**15,572**	15,611
Depreciation expenses		
— Depreciation of property, plant and equipment (Note 13.2 (a))	**650,215**	552,212
— Depreciation of right-of-use assets (Note 13.2(b))	**56,677**	63,355
Students training and scholarship expenses	**70,203**	130,534
Office expenses	**64,783**	74,072
Maintenance expenses	**31,253**	65,831
School consumables	**18,748**	46,063
Utilities expenses	**38,073**	40,840
Marketing expenses	**17,119**	18,826
Amortisation of intangible assets (Note 14)	**33,871**	31,672
Consultancy and professional fee	**5,235**	7,360
Travel and entertainment expenses	**11,254**	12,840
Auditors' remuneration	**3,800**	3,881
— Audit and audit related services	**3,800**	3,840
— Non-audit services	**—**	41
Expense relating to short-term leases (Note 13.2 (b))	**3,171**	2,530
Other expenses	**12,343**	12,560
	1,612,295	1,726,927

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	**465,898**	528,029
Pension costs — defined contribution plans (a)	**51,004**	55,455
Pension costs — defined benefit plans (b)	**—**	—
Welfare and other expenses	**63,076**	65,256
	579,978	648,740

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Employee benefit expenses were charged in the following categories in the consolidated statement of profit or loss:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Cost of revenue	**510,163**	579,090
Administrative expenses	**67,235**	66,946
Selling expenses	**2,580**	2,704
	579,978	648,740

(a) Contributions to pension plan

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. During the year, there were no forfeited contributions under the Group's defined contribution plans (2024: Nil).

(b) Defined benefit plans

	As at 31 August 2025		
	Current	**Non-current**	**Total**
	RMB'000	**RMB'000**	**RMB'000**
Defined pension benefits	–	–	–

The defined pension benefits plans operated by the subsidiaries of the Group in Thailand are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' monthly salary prior to retirement and length of service and their salary in the final years leading up to retirement.

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Defined benefit plans (Continued)

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the period are as follows:

	Present value of obligation Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
At beginning of the year (Note 24)	**9,674**	9,189
Recognised in profit or loss:		
— Current service costs	**719**	968
— Interest expenses	**169**	203
	888	1,171
Recognised in other comprehensive income:		
— Remeasurements — gain from change in actuarial assumptions	**66**	(651)
Payments	**(942)**	(137)
Exchange differences	**504**	102
Disposal	**(10,190)**	—
At end of the year (Note 24)	**—**	9,674

The defined benefit under the Group's defined benefit plans is determined based on an actuarial valuation performed by Actuarialbiz Company Limited (ABS), an independent actuary in Thailand. The undersigned actuary of the actuarial valuation is Tommy Pichet Jiaramaneetaweesin, a fellow of the Society of Actuaries from the United States, a fellow of the Institute of Actuaries of the United Kingdom, a fellow of the Society of Actuaries of Thailand, and a certified actuary from the Office of Insurance Commission of Thailand.

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Five highest paid individuals:		
— Directors	**3**	3
— Non-director individual	**2**	2
	5	5

The five individuals whose remunerations were the highest in the Group for the year include three directors (2024: three), whose remuneration are included in the analysis presented in Note 32. Details of the remunerations of the highest paid non-director individuals during the year are set out as below:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Wages and salaries	**248**	260
Share-based compensation	**519**	487
Contributions to pension plan	**47**	65
Welfare and other expenses	**42**	58
	856	870

The remunerations fell within the following band:

	Year ended 31 August	
	2025	2024
	No. of employees	No. of employees
Emolument band		
Nil to HK$1,000,000	**2**	2

During the year, none of the five highest paid individuals waived or has agreed to waive any emoluments, and none of the five highest paid individuals received emoluments from the Group as inducement to join or upon joining the Group, or as compensation for loss of office.

10 FINANCE EXPENSES — NET

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Finance income:		
— Interest income from deposits	**18,312**	22,509
— Net foreign exchange gains	**187**	440
	18,499	22,949
Finance expenses:		
— Interest expenses	**(30,600)**	(59,092)
— Net foreign exchange losses	**(2,783)**	(2,042)
— Interest and finance charges for lease liabilities	**(326)**	(1,144)
— Interests capitalised on qualifying assets (a)	**—**	4,878
	(33,709)	(57,400)
Finance expenses — net	**(15,210)**	(34,451)

(a) Capitalised borrowing costs

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is Nil as the entity did not capitalise any borrowing costs during the year (2024: 3.62%).

11 INCOME TAXATION

11.1 Accounting policies of income taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the jurisdictions where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

11 INCOME TAXATION (CONTINUED)

11.1 Accounting policies of income taxation (Continued)

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

11.2 Financial information of income taxation

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Current income tax		
— Withholding tax on royalty income from Stamford International University (i)	**—**	2,426
Deferred income tax		
— Decrease/(increase) in deferred income tax assets (Note 15)	**162**	(3,164)
— Decrease in deferred income tax liabilities (Note 15)	**(9,659)**	(9,732)
Total deferred income tax benefit	**(9,497)**	(12,896)
Income taxation	**(9,497)**	(10,470)

11 INCOME TAXATION (CONTINUED)

11.2 Financial information of income taxation (Continued)

(i) There was no withholding tax determined and paid based on the royalty income charged by China Hong Kong Yuhua Education Limited to Stamford International University during the year (2024: RMB2,426,000).

The current tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of Chinese mainland, the principal jurisdiction of the Group's operations, as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	**898,308**	364,168
Tax calculated at domestic tax rate applicable to profits in the respective locations	**213,828**	89,613
Profit from tuition and boarding fees not subject to income tax	**(226,393)**	(104,020)
Tax losses for which no deferred income tax asset was recognised	**3,068**	3,937
	(9,497)	(10,470)

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Tax losses		
Unused tax losses for which no deferred income tax asset was recognised	**12,272**	15,748
Potential tax benefit	**3,068**	3,937

11 INCOME TAXATION (CONTINUED)

11.2 Financial information of income taxation (Continued)

(a) Cayman Islands

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

(b) British Virgin Islands

The Company's subsidiary incorporated under the BVI Companies Act, 2004 is exempted from British Virgin Islands income tax.

(c) Hong Kong

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

(d) Chinese mainland corporate income tax ("CIT")

Corporate income tax ("**CIT**") is provided on the estimated taxable profits of entities incorporated in Chinese mainland. Pursuant to the Corporate Income Tax Law of the PRC (the "**CIT Law**"), which was effective from January 2008, the CIT rate applicable to the Group's subsidiaries incorporated in Chinese mainland was 25% (2024: 25%).

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

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

(e) Thailand income tax

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

12 EARNINGS PER SHARE

(a) Basic

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

	For the year ended 31 August	
	2025	2024
Profit attributable to owners of the Company (RMB'000)		
— for the year	**929,876**	398,741
— for the year from continuing operations	**903,061**	369,457
Weighted average number of ordinary shares in issue (Thousands)	**3,978,251**	3,606,788
Basic earnings per share (RMB Yuan)		
— for the year	**0.23**	0.11
— for the year from continuing operations	**0.23**	0.10

(b) Diluted

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

The Company had three categories of dilutive potential ordinary shares: Pre-IPO share options, Convertible Bonds and warrants. For Pre-IPO share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding Pre-IPO share options. The Convertible Bonds are assumed to have been converted into ordinary shares. Gains or losses in relation to interest savings, fair value change, disposal and early redemption on Convertible Bonds are adjusted to the extent of the amount charged to the profit or loss attributable to owners of the Company, if applicable. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the Pre-IPO shares options and conversion of Convertible Bonds.

12 EARNINGS PER SHARE (CONTINUED)

(b) Diluted (Continued)

For the year ended 31 August 2025, the impact of the warrants was excluded from the calculation of diluted earnings per share as the warrants were anti-dilutive.

	For the year ended 31 August	
	2025	2024
Profit attributable to owners of the Company (RMB'000)		
— for the year	**929,876**	398,741
— for the year from continuing operations	**903,061**	369,457
Adjustments for:		
— impact of Convertible Bonds (RMB'000)	**29,234**	63,552
Adjusted profit attributable to owners of the Company (RMB'000)		
— for the year	**959,110**	462,293
— for the year from continuing operations	**932,295**	433,009
Weighted average number of ordinary shares in issue (Thousands)	**3,978,251**	3,606,788
Adjustments for:		
— impact of Convertible Bonds and others (Thousands)	**260,817**	590,303
Adjusted weighted average number of ordinary shares for diluted earnings per share (Thousands)	**4,239,068**	4,197,091
Diluted earnings per share (RMB Yuan)		
— for the year	**0.23**	0.11
— for the year from continuing operations	**0.22**	0.10

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES

13.1.1 Accounting policies of property, plant and equipment

Property, plant and equipment comprise mainly buildings, decoration improvements, motor vehicles, electronic equipment, furniture and fixtures are stated at historical cost less accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include foreign currency purchases of property, plant and equipment.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Buildings	20–50 years
— Decoration improvements	5 years
— Motor vehicles	5–8 years
— Electronic equipment	4–10 years
— Furniture and fixtures	5–10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 14.1.2).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses) — net' in the consolidated statement of profit or loss.

Construction-in-progress ("**CIP**") represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses (if any). Cost includes the costs of construction and acquisition and capitalised borrowing costs. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to the respective categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.1.2 Accounting policies of lease

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

- amounts expected to be payable by the Group under residual value guarantees

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.1.2 Accounting policies of lease (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received

- any initial direct costs, and

- restoration costs.

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.1.2 Accounting policies of lease (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis as follows:

— Leasehold land	20 to 50 years
— Office premises	2 to 20 years

If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.2 Financial information of property, plant and equipment, and Lease

(a) Property, plant and equipment

	Buildings RMB'000	Decoration improvements RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 August 2024							
Opening net book amount	3,479,158	969,103	3,869	225,879	239,115	945,312	5,862,436
Exchange differences	535	–	1	20	26	–	582
– Continuing operations	–	–	–	–	–	–	–
– Discontinued operations	535	–	1	20	26	–	582
Additions	12,042	11,271	1,462	149,041	211,996	1,409,887	1,795,699
Transfer upon completion	1,886,130	264,716	–	–	–	(2,150,846)	–
Disposals	(9,341)	–	(1,213)	(1,267)	(2,250)	–	(14,071)
Depreciation charge	(174,337)	(254,559)	(1,559)	(66,512)	(62,922)	–	(559,889)
– Continuing operations (Note 8)	(168,232)	(254,559)	(1,502)	(65,351)	(62,568)	–	(552,212)
– Discontinued operations	(6,105)	–	(57)	(1,161)	(354)	–	(7,677)
Closing net book amount	5,194,187	990,531	2,560	307,161	385,965	204,353	7,084,757
At 31 August 2024							
Cost	6,048,454	1,339,017	3,116	425,333	477,681	204,353	8,497,954
Accumulated depreciation	(854,267)	(348,486)	(556)	(118,172)	(91,716)	–	(1,413,197)
Net book amount	5,194,187	990,531	2,560	307,161	385,965	204,353	7,084,757
Year ended 31 August 2025							
Opening net book amount	**5,194,187**	**990,531**	**2,560**	**307,161**	**385,965**	**204,353**	**7,084,757**
Exchange differences	**2,752**	**–**	**2**	**116**	**28**	**–**	**2,898**
– Continuing operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**
– Discontinued operations	**2,752**	**–**	**2**	**116**	**28**	**–**	**2,898**
Additions	**17,668**	**4,072**	**3,397**	**59,541**	**35,563**	**807,807**	**928,048**
Transfer upon completion	**613,703**	**248,485**	**–**	**–**	**–**	**(862,188)**	**–**
Disposals	**(3,400)**	**–**	**(158)**	**(2,165)**	**(1,380)**	**–**	**(7,103)**
Depreciation charge	**(222,869)**	**(279,043)**	**(1,530)**	**(77,214)**	**(76,419)**	**–**	**(657,075)**
– Continuing operations (Note 8)	**(217,708)**	**(279,027)**	**(993)**	**(76,272)**	**(76,215)**	**–**	**(650,215)**
– Discontinued operations	**(5,161)**	**(16)**	**(537)**	**(942)**	**(204)**	**–**	**(6,860)**
Disposals of subsidiaries in Thailand (Note 34)	**(93,892)**	**(178)**	**(2,795)**	**(1,814)**	**(356)**	**(120)**	**(99,155)**
Closing net book amount	**5,508,149**	**963,867**	**1,476**	**285,625**	**343,401**	**149,852**	**7,252,370**
At 31 August 2025							
Cost	**6,346,081**	**1,585,680**	**2,106**	**419,858**	**474,995**	**149,852**	**8,978,572**
Accumulated depreciation	**(837,932)**	**(621,813)**	**(630)**	**(134,233)**	**(131,594)**	**–**	**(1,726,202)**
Net book amount	**5,508,149**	**963,867**	**1,476**	**285,625**	**343,401**	**149,852**	**7,252,370**

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.2 Financial information of property, plant and equipment, and Lease (Continued)

(a) Property, plant and equipment (Continued)

(i) Depreciation charges were charged to the consolidated statement of profit or loss as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Continuing operations	**650,215**	552,212
— Cost of revenue	**552,001**	453,828
— Administrative expenses	**98,214**	98,384
Discontinued operations	**6,860**	7,677
— Cost of revenue	**6,124**	7,677
— Administrative expenses	**736**	—
	657,075	559,889

(ii) As at 31 August 2025 and 2024, construction-in-progress mainly comprised buildings and decoration improvements being constructed in Chinese mainland.

(iii) As at 31 August 2025, the carrying amount of buildings without building ownership certificates was RMB402,593,000 (2024: RMB276,610,000). The Group is in the process of applying for the certificates.

(iv) As at 31 August 2025, the Group had no property, plant and equipment which was pledged as security (2024: nil).

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.2 Financial information of property, plant and equipment, and Lease (Continued)

(b) Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 August 2025 RMB'000	As at 31 August 2024 RMB'000
Right-of-use assets		
— Buildings	**5,819**	27,117
— Land use rights	**1,648,669**	1,806,101
— Vehicles	**—**	276
	1,654,488	1,833,494
Lease liabilities		
— Current	**3,520**	7,360
— Non-current	**1,551**	16,052
	5,071	23,412

During the year, additions to the right-of-use assets were Nil (2024: RMB46,917,000).

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.2 Financial information of property, plant and equipment, and Lease (Continued)

(b) Leases (Continued)

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

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

	Note	Year ended 31 August 2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets			
Continuing operations			
— Buildings		**5,245**	12,003
— Land use right		**51,432**	51,352
	8	**56,677**	63,355
Discontinued operations			
— Buildings		**1,012**	1,268
— Vehicles		**176**	243
		1,188	1,511
		57,865	64,866
Interest expense (included in finance expense)	10	**326**	1,144
Expense relating to short-term leases (included in cost of revenue and administrative expenses)	8	**3,171**	2,530

During the year, the total cash outflow for leases except for short-term leases was RMB3,996,000 (2024: RMB11,553,000).

13 PROPERTY, PLANT AND EQUIPMENT, AND LEASES (CONTINUED)

13.2 Financial information of property, plant and equipment, and Lease (Continued)

(b) Leases (Continued)

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

The Group leases various offices, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 20 years with no extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(iv) As at 31 August 2025, land use rights allocated by the government with a carrying value of RMB431,009,000 (2024: RMB445,376,000), has no definite life of use stated in the relevant land use right certificates. The estimated useful life is 50 years which is the best estimate based on the normal terms in Chinese mainland. However, without the relevant administrative authorities' permission, the Group cannot transfer, lease or mortgage such land use right allocated by the government.

(v) As at 31 August 2025, the carrying amount of land use rights without land use right certificates was RMB15,218,000 (2024: 16,193,000). The Group is in the process of applying for the certificates.

14 INTANGIBLE ASSETS

14.1.1 Accounting policies of intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

For the impairment of goodwill, please refer to Note 14.1.2.

14 INTANGIBLE ASSETS (CONTINUED)

14.1.1 Accounting policies of intangible assets (Continued)

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks arising from the acquisitions of Hunan International Economics University of LEI Lie Ying Limited and Shandong Yingcai University of Jinan Shuangsheng Education Consulting Co., Ltd. have indefinite useful lives. Trademark arising from the acquisition of Thai Education Holdings Co., Ltd. has 10 years of useful life.

Impairment reviews of trademarks with indefinite useful life are undertaken annually or more frequently and impairment reviews of trademarks subject to amortisation are undertaken if events or changes in circumstances indicate a potential impairment. For the impairment of trademarks with indefinite useful life, please refer to Note 14.1.2.

(c) Software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives varying from 5 to 10 years. Costs associated with maintaining software programmes are recognised as an expense as incurred.

14.1.2 Accounting policies of impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's FVLCD and VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

14 INTANGIBLE ASSETS (CONTINUED)

14.2 Financial information of intangible assets

	Trademark (i) RMB'000	Goodwill RMB'000	Softwares RMB'000	Total RMB'000
Year ended 31 August 2024				
Opening net book amount	432,438	1,084,625	92,139	1,609,202
Additions	—	—	59,438	59,438
Disposals	—	—	(162)	(162)
Impairment loss recognised in the year (Note 7)	—	(180,708)	—	(180,708)
Amortisation	(4,288)	—	(31,672)	(35,960)
— Continuing operations (Note 8)	—	—	(31,672)	(31,672)
— Discontinued operations	(4,288)	—	—	(4,288)
Closing net book amount	428,150	903,917	119,743	1,451,810
At 31 August 2024				
Cost	455,606	1,084,625	196,861	1,737,092
Accumulated depreciation and impairment	(27,456)	(180,708)	(77,118)	(285,282)
Net book amount	428,150	903,917	119,743	1,451,810
Year ended 31 August 2025				
Opening net book amount	**428,150**	**903,917**	**119,743**	**1,451,810**
Additions	**—**	**—**	**5,114**	**5,114**
Disposals	**—**	**—**	**(8)**	**(8)**
Disposals of subsidiaries in Thailand (Note 34)	**(15,694)**	**(41,560)**	**—**	**(57,254)**
Amortisation	**(3,056)**	**—**	**(33,871)**	**(36,927)**
— Continuing operations (Note 8)	**—**	**—**	**(33,871)**	**(33,871)**
— Discontinued operations	**(3,056)**	**—**	**—**	**(3,056)**
Closing net book amount	**409,400**	**862,357**	**90,978**	**1,362,735**
At 31 August 2025				
Cost	**439,912**	**1,043,065**	**201,966**	**1,684,943**
Accumulated depreciation and impairment	**(30,512)**	**(180,708)**	**(110,988)**	**(322,208)**
Net book amount	**409,400**	**862,357**	**90,978**	**1,362,735**

(i) As at 31 August 2025, the trademark consisted of trademark with indefinite useful lives of RMB409,400,000.

14 INTANGIBLE ASSETS (CONTINUED)

14.2 Financial information of intangible assets (Continued)

(a) Amortisation of the Group's intangible assets were charged in the following categories in the consolidated statement of profit or loss as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Continuing operations	**33,871**	31,672
— Cost of revenue	**28,270**	27,129
— Administrative expenses	**5,601**	4,543
Discontinued operations	**3,056**	4,288
— Cost of revenue	**3,056**	4,288
— Administrative expenses	**—**	—
	36,927	35,960

(b) *Impairment tests of goodwill and trademark*

The goodwill and trademark arising from the acquisition of Hunan International Economics University, Jinan Shuangsheng, Yubohui Education and Stamford International University from 2017 to 2019 amounted to RMB1,084,625,000 and RMB409,400,000 respectively. The Group's operation in Thailand has been disposed of during the year ended 31 August 2025, consequently, the goodwill associated with the CGU of Stamford International University has been disposed of. Please refer to Note 34. For the purpose of impairment testing, goodwill and trademark with indefinite useful lives have been allocated to the remaining three individual CGUs for the year ended 31 August 2025 (2024: four individual CGUs).

As a result of the impairment assessment, no goodwill impairment was recognised for the year ended 31 August 2025. The Group recognised impairment for goodwill for the (i) Jinan Shuangsheng and (ii) Yubohui Education amounting to RMB168,193,000 and RMB12,515,000 respectively (Note 7) for the year ended 31 August 2024 and no goodwill impairment was recognised for previous years.

14 INTANGIBLE ASSETS (CONTINUED)

14.2 Financial information of intangible assets (Continued)

(b) Impairment tests of goodwill and trademark (Continued)

The summary of goodwill and trademark are as follows:

	Hunan International Economics University RMB'000	Jinan Shuangsheng RMB'000	Yubohui Education RMB'000	Stamford International University RMB'000	Total RMB'000
As at 31 August 2025					
Goodwill	**528,703**	**264,732**	**68,922**	**–**	**862,357**
Trademark with indefinite useful lives	**219,000**	**190,400**	**–**	**–**	**409,400**
As at 31 August 2024					
Goodwill	528,703	264,732	68,922	41,560	903,917
Trademark with indefinite useful lives	219,000	190,400	–	–	409,400

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	Hunan International Economics University	Jinan Shuangsheng	Yubohui Education	Stamford International University
Year ended 31 August 2025				
Revenue growth rates (%)	**1.5–2.5**	**0.2–3.3**	**2–7**	**–**
EBIT margin (% of revenue) (%)	**49**	**46**	**36**	**–**
Long-term growth rate (%)	**2**	**2**	**2**	**–**
Discount rate (%)	**15**	**15**	**16**	**–**
Year ended 31 August 2024				
Revenue growth rates (%)	0.4–7.1	3.6–9.5	(5.1)–5.1	2.4–7.5
EBIT margin (% of revenue) (%)	43	38	36	20
Long-term growth rate (%)	2	2	2	2
Discount rate (%)	15	15	16	16

14 INTANGIBLE ASSETS (CONTINUED)

14.2 Financial information of intangible assets (Continued)

(b) Impairment tests of goodwill and trademark (Continued)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determine values**
Revenue growth rates	Revenue growth rates are for the five-year forecast period. They are based on past performance and management's expectations of market development.
EBIT margins	Based on past performance and management's expectations for the future.
Long-term growth rates	This is the weighted average growth rates used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	The discount rates used reflects specific risks relating to the CGU.

(c) Impact of possible changes in key assumptions

The Group has performed a sensitivity analysis for the recoverable amount of CGUs as at 31 August 2025. The below analysis shows how total provision for impairment of goodwill would be changed as a result of change in the significant assumptions, with all the variables taken in isolation.

(i) Hunan International Economics University

A fall in revenue growth rates by 13.9%, a fall in EBIT margin by 25.5%, a fall in long term growth rate by 30.7%, or a rise in pre-tax discount rate by 13.6%, all changes taken in isolation, would lead to the recoverable amount to fall below the carrying value.

(ii) Jinan Shuangsheng

A fall in revenue growth rates by 1.3%, a fall in EBIT margin by 2.6%, a fall in long term growth rate by 1.1%, or a rise in pre-tax discount rate by 0.7%, all changes taken in isolation, would lead to the recoverable amount to fall below the carrying value.

(iii) Yubohui Education

A fall in revenue growth rates by 5.4%, a fall in EBIT margin by 7.6%, a fall in long term growth rate by 6.4%, or a rise in pre-tax discount rate by 3.8%, all changes taken in isolation, would lead to the recoverable amount to fall below the carrying value.

15 DEFERRED INCOME TAX ASSETS AND LIABILITIES

15.1 Accounting policies of deferred income tax assets and liabilities

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

15.2 Financial information of deferred income tax assets and liabilities

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

(a) Deferred income tax assets

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
As at beginning of the year	**16,422**	16,867
(Charged)/credited to profit or loss	**(162)**	(445)
— Continuing operations (Note 11)	**(162)**	3,164
— Discontinued operations	**—**	(3,609)
Disposal of subsidiaries in Thailand (Note 34)	**(13,258)**	—
As at end of the year	**3,002**	16,422

At 31 August 2025, deferred income tax asset arising from tax losses amounted to RMB3,002,000 (2024: RMB16,422,000).

15 DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

15.2 Financial information of deferred income tax assets and liabilities (Continued)

(b) Deferred income tax liabilities

	Right-of-use assets-leasehold land RMB'000	Trademark RMB'000	Software RMB'000	Property, plant and equipment appreciation RMB'000	Other payables and accrued expenses RMB'000	Total RMB'000
Balance at 1 September 2023	(235,083)	(102,305)	(2)	(120,474)	(44,158)	(502,022)
Credited to profit or loss	7,613	–	–	2,119	–	9,732
– Continuing operations (Note 11)	7,613	–	–	2,119	–	9,732
– Discontinued operations	–	–	–	–	–	–
Balance at 31 August 2024	(227,470)	(102,305)	(2)	(118,355)	(44,158)	(492,290)
Balance at 1 September 2024	**(227,470)**	**(102,305)**	**(2)**	**(118,355)**	**(44,158)**	**(492,290)**
Credited to profit or loss	**7,613**	**–**	**–**	**2,046**	**–**	**9,659**
– Continuing operations (Note 11)	**7,613**	**–**	**–**	**2,046**	**–**	**9,659**
– Discontinued operations	**–**	**–**	**–**	**–**	**–**	**–**
Disposal of subsidiaries in Thailand (Note 34)	**–**	**–**	**–**	**–**	**44,158**	**44,158**
Balance at 31 August 2025	**(219,857)**	**(102,305)**	**(2)**	**(116,309)**	**–**	**(438,473)**

(i) The deferred income tax liabilities arise from fair value adjustment of right-of-use assets-leasehold land, recognition of trademark and fair value adjustment of buildings and other fixed assets upon the acquisition of subsidiaries.

(ii) Under the CIT Law, withholding tax is imposed on dividends declared in respect of profits earned by Chinese mainland subsidiaries from 1 January 2008 onwards. Deferred income taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to undistributed earnings of the Group's Chinese mainland subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

15 DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

15.2 Financial information of deferred income tax assets and liabilities (Continued)

(b) Deferred income tax liabilities (Continued)

(ii) *(Continued)*

At 31 August 2025, no deferred income tax has been recognised for withholding taxes payable on the unremitted earnings of the Group's subsidiaries established in Chinese mainland that are subject to withholding taxes (2024: Nil). In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings for the foreseeable future.

Deferred tax assets and liabilities after offset are listed as below:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Deferred tax liabilities	**435,471**	475,868

Unused tax losses for which no deferred tax asset has been recognised are listed as below:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Unused tax losses for which no deferred tax asset has been recognised	**163,260**	186,656

The unused tax losses were incurred by subsidiaries that is not likely to generate taxable income in the foreseeable future. Most of the tax losses shall expire in five years from year of occurrence under current tax legislation.

15 DEFERRED INCOME TAX ASSETS AND LIABILITIES (CONTINUED)

15.2 Financial information of deferred income tax assets and liabilities (Continued)

(b) Deferred income tax liabilities (Continued)

(ii) *(Continued)*

The expiry date of tax losses was as follow:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
As at August 31, 2025	**—**	35,668
As at August 31, 2026	**61,356**	61,356
As at August 31, 2027	**42,672**	42,672
As at August 31, 2028	**31,212**	31,212
As at August 31, 2029	**15,748**	15,748
As at August 31, 2030	**12,272**	—
At the end of the year	**163,260**	186,656

16 OTHER NON-CURRENT ASSETS

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Prepayments for purchases of property, plant and equipment	**53,258**	7,686
Rental deposits	**—**	3,939
	53,258	11,625

17 TRADE AND OTHER RECEIVABLES

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
Due from students (a)	**9,230**	14,578
Provision for impairment (b)	**(5,488)**	(8,881)
	3,742	5,697
Other receivables		
Non-current portion:		
Receivables from the disposed subsidiaries in Thailand (Note 34)	**107,029**	—
Provision for impairment (b)	**(442)**	—
	106,587	—
Current portion:		
Receivables from local government	**45,960**	49,202
Remaining consideration to be received in relation to the disposal of subsidiaries in Thailand (Note 34)	**41,932**	—
Staff advances	**2,264**	2,614
Deposits	**4,390**	2,342
Others	**263**	5,050
Provision for impairment (b)	**(898)**	(737)
	93,911	58,471
Prepayments		
Prepaid expenses	**2,244**	2,529
	206,484	66,697

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) The Group's students are required to pay the annual tuition fees and boarding fees in advance for upcoming school year, which normally commence in September. The outstanding receivables represent amounts related to certain qualified students who have applied for late payment of tuition fees and boarding fees with no fixed credit item.

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

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Less than 1 year	**5,787**	7,790
Over 1 year	**3,443**	6,788
	9,230	14,578

(b) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group applies the IFRS 9 general approach to measuring expected credit losses for all other receivables. The Directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year. The loss allowance decreased from RMB8,881,000 to RMB5,488,000 for trade receivables and increased from RMB737,000 to RMB1,340,000 for other receivables during the current reporting period. The impaired trade receivables relate to students that were in financial difficulties or default in payments, and the impaired other receivables relate to staff advances and deposits.

Information about the impairment of trade receivables and the Group's exposure to credit risk and foreign currency risk is set out in note 3.1.

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment and risk exposure (Continued)

Movements in the provision for impairment of trade and other receivables that are assessed for impairment collectively are as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	**9,618**	7,859
Provision for impairment recognised during the year	**2,597**	4,873
— Continuing operations	**2,597**	3,377
— Discontinued operations	**—**	1,496
Provision reversed	**(559)**	(414)
— Continuing operations	**(363)**	(414)
— Discontinued operations	**(196)**	—
Receivables written off during the year as uncollectible	**(3,995)**	(2,700)
Disposal of subsidiaries in Thailand	**(833)**	—
At end of the year	**6,828**	9,618

(c) The carrying amounts of the Group's trade and other receivables were denominated in the following currencies:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
RMB	**99,897**	60,580
USD	**106,587**	—
THB	**—**	6,117
	206,484	66,697

(d) As at 31 August 2025 and 2024, the fair values of trade and other receivables, except the prepayments which are not financial assets of the Group, approximated their carrying amounts.

18 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Cash at bank and on hand		
— RMB	**1,541,076**	1,451,334
— HK$	**6,486**	141,875
— US$	**42,964**	142,043
— THB	**—**	143,225
Short-term bank deposits		
— US$	**45,459**	128,444
— HK$	**45,579**	—
Cash at financial institutions other than bank		
— RMB	**48,884**	83,546
Cash and cash equivalents	**1,730,448**	2,090,467

Cash at bank and other financial institutions can be redeemed by the Company within a short-term.

(b) Restricted cash

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Restricted cash	**2,190**	681

As at 31 August 2025 and 2024, the restricted cash is cash in dormant accounts totally amounting to RMB2,190,000 and RMB681,000.

19 TERM DEPOSITS WITH INITIAL TERM OF OVER THREE MONTHS

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Term deposits with initial term of over three months		
— HK$	**46,640**	—

20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost		
Trade and other receivables excluding prepayments (Note 17)	**204,240**	64,168
Restricted cash (Note 18)	**2,190**	681
Cash and cash equivalents (Note 18)	**1,730,448**	2,090,467
Term deposits with initial term of over three months (Note 19)	**46,640**	—
	1,983,518	2,155,316

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Financial liabilities		
Financial liabilities at amortised cost		
Accruals and other payables excluding non-financial liabilities	**1,340,743**	1,103,676
Borrowings (Note 25)	**636,940**	1,385,000
Lease liabilities (Note 13)	**5,071**	23,412
Financial liabilities at fair value through profit or loss (Note 26)	**—**	749,328
	1,982,754	3,261,416

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

21 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK$
Authorised:		
As at 31 August 2024 and 2025 par value of HK$0.00001 each	50,000,000,000	500,000

	Number of ordinary shares	Nominal value of ordinary shares HK$	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total share capital and share premium RMB'000
Issued and paid:					
As at 1 September 2023 and 31 August 2024	3,606,787,883	36,068	30	1,762,405	1,762,435
As at 1 September 2024	3,606,787,883	36,068	30	1,762,405	1,762,435
Issue of ordinary shares	660,120,569	6,601	6	230,504	230,510
As at 31 August 2025	**4,266,908,452**	**42,669**	**36**	**1,992,909**	**1,992,945**

22 OTHER RESERVES

(a) Capital reserve

Capital reserve of the Group represented the capital contribution premium of the Consolidated Affiliated Entities from its then shareholders.

(b) Statutory surplus reserve

Pursuant to the relevant laws and regulations in Chinese mainland, the Company's subsidiaries established in Chinese mainland shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant Chinese mainland subsidiaries. These reserves include (i) statutory reserve fund of the limited liability companies and (ii) the development fund of schools.

(i) In accordance with the relevant laws and regulations in Chinese mainland and Articles of Association of the companies incorporated in Chinese mainland now comprising the Group (the "**Chinese mainland Subsidiaries**"), it is required to appropriate 10% of the annual statutory net profits of the Chinese mainland subsidiaries, after offsetting losses in the prior year, if any, as determined under the Chinese mainland accounting standards, to the statutory reserves fund before distributing the net profit. When the balance of the statutory reserves fund reaches 50% of the registered capital of the Chinese mainland Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.

(ii) According to the relevant PRC laws and regulations, for a private school that does not require reasonable return, it is required to appropriate to development fund of not less than 10% of the annual increase of net assets of the relevant school as determined in accordance with generally accepted accounting principles in Chinese mainland. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment.

23 SHARE-BASED PAYMENTS

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

	31 August 2025	
	Average exercise price in HK$ per share option	**Number of share options**
As at beginning of the year	**0.00001**	**105,043,690**
Share options exercised	**0.00001**	**—**
As at end of the year	**0.00001**	**105,043,690**
Exercisable at year end	**0.00001**	**4,327,190**

	31 August 2024	
	Average exercise price in HK$ per share option	Number of share options
As at beginning of the year	0.00001	105,043,690
Share options exercised	0.00001	—
As at end of the year	0.00001	105,043,690
Exercisable at year end	0.00001	4,327,190

There was no option exercised for the year ended 31 August 2025 and 31 August 2024.

23 SHARE-BASED PAYMENTS (CONTINUED)

As at 31 August 2025, outstanding share options have the following expiry date and exercise prices:

	31 August 2025	
	Exercise price in HK$ per share option	Number of share options
Expiry date		
1 September 2036	**0.00001**	**105,043,690**

(a) Pre-IPO Share Option Scheme

On 1 September 2016, 102,621,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 20 years. Commencing from the first, second to sixth, seventh to eleventh, twelfth to sixteenth and seventeenth to twentieth anniversaries, the relevant grantees may exercise up to 5%, 20%, 30%, 50% and 100% of the shares comprised in his or her option. As at 31 August 2025, 20,524,200 share options have been vested, and 3,278,900 share options have not yet exercised.

On 1 September 2016, 15,658,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 20 years. Upon the Listing and commencing from the second to sixth, seventh to eleventh, twelfth to sixteenth and seventeenth to twentieth anniversaries, the relevant grantees may exercise up to 5%, 20%, 30%, 50% and 100% of the shares comprised in his or her option. As at 31 August 2025, 3,131,600 share options have been vested, and 363,590 share options have not yet exercised.

On 1 September 2016, 4,402,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 15 years. Commencing from the first, second to sixth, seventh to eleventh and twelfth to fifteenth anniversaries, the relevant grantees may exercise up to 5%, 25%, 45% and 100% of the shares comprised in his or her option. As at 31 August 2025, 1,100,500 share options have been vested and 440,200 share options not exercised.

On 1 September 2016, 1,636,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 15 years. Upon the Listing and commencing from the second to sixth, seventh to eleventh and twelfth to fifteenth anniversaries, the relevant grantees may exercise up to 5%, 25%, 45% and 100% of the shares comprised in his or her option. As at 31 August 2025, 409,000 share options have been vested and exercised.

23 SHARE-BASED PAYMENTS (CONTINUED)

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

On 1 September 2016, 2,608,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 10 years. Upon the Listing and commencing from the second to sixth and seventh to tenth anniversaries, the relevant grantees may exercise up to 5%, 40% and 100% of the shares comprised in his or her option. As at 31 August 2025, 1,043,200 share options have been vested and 244,500 share options not exercised.

On 1 September 2016, 44,075,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 5 years. Upon the Listing and commencing from the second to fifth anniversaries, the relevant grantees may exercise up to 3% and 100% of the shares comprised in his or her option. As at 31 August 2025, 44,075,000 share options have been vested and exercised.

On 1 September 2016, 9,000,000 share options were granted under the Pre-IPO Share Option Scheme which have a vesting period of 3 years. Upon the Listing and commencing from the first and second to third anniversary, the relevant grantees may exercise up to 40%, 60% and 100% of the shares comprised in his or her option. As at 31 August 2025, 9,000,000 share options have been vested and exercised.

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

Spot price (HK$)	2.58
Exercise price (HK$)	0.00001
Expected volatility	62%
Time to maturity	Based on the terms of the options
Weighted average annual risk free interest rate	1.1%
Expected dividend yield	0.0%

The fair value of the Pre-IPO Share Option Scheme is charged to the consolidated statement of profit or loss over the vesting period of the options. Total share option expenses charged to the consolidated statement of profit or loss for the year ended 31 August 2025 amounted to HK$17,121,000 (equivalent to RMB15,572,000) (2024: HK$17,121,000 (equivalent to RMB15,611,000)).

24 ACCRUALS AND OTHER PAYABLES

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Net payables to the Affected Business upon deconsolidation (a) (Note 29(c))	**673,530**	594,030
Payables for purchases of property, plant and equipment	**346,348**	247,913
Miscellaneous expenses received from students (b)	**119,079**	113,453
Salary and welfare payables	**45,380**	53,767
Payables for teaching materials and other operating expenditure	**10,194**	20,979
Government subsidies payable to students and teachers	**51,167**	42,467
Taxes payable	**3,120**	26,688
Deposits received	**21,212**	20,422
Amount due to related parties (Note 29(c))	**74,151**	12,435
Interest payables	**1,385**	7,888
Defined pension benefits (Note 9)	**—**	9,674
Audit and consulting fees	**2,626**	3,212
Legal claim payables	**19,887**	18,290
Others	**21,164**	22,587
	1,389,243	1,193,805

(a) On 14 May 2021, Implementation Regulations of the People's Republic of China on the Law Regarding the Promotion of Private Education ("**Implementation Regulations**") were promulgated. The Implementation Regulations were effective on 1 September 2021. The Directors assessed that all preschools in the kindergartens segment of the Group and the compulsory education programs which is middle schools programs and primary schools programs of the Group were affected by the Implementation Regulations (collectively referred to as the "**Affected Business**"), and the Group ceased its control over the Affected Business by 31 August 2021 and therefore the carrying amount related to the net assets of the Affected Business was deconsolidated from the consolidated financial statements of the Group as of 31 August 2021. Then the Group's net payables to the Affected Business were no longer eliminated within the Group, and will be settled gradually among the Group and the Affected Business.

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

24 ACCRUALS AND OTHER PAYABLES (CONTINUED)

(c) The carrying amounts of the Group's accruals and other payables were denominated in the following currencies:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
RMB	**1,389,243**	1,156,098
THB	**—**	37,707
	1,389,243	1,193,805

25 BORROWINGS

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Non-current		
Unguaranteed		
Bank loans	**353,980**	286,990
	353,980	286,990
Current		
Guaranteed		
Bank loans	**—**	220,000
Unguaranteed		
Bank loans	**282,960**	878,010
	282,960	1,098,010
Total borrowings	**636,940**	1,385,000

25 BORROWINGS (CONTINUED)

(a) Bank borrowings

(i) The weighted average effective interest rates at the balance sheet dates are set out as follows:

	As at 31 August	
	2025	2024
Bank borrowings	**3.31%**	3.62%

(ii) Bank loans of the Group which were guaranteed are set out below:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Guaranteed by a related party	**–**	220,000

(iii) The maturity date of the borrowing was analysed as follows:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**282,960**	1,098,010
Between 1 and 2 years	**264,980**	17,010
Between 2 and 5 years	**89,000**	269,980
	636,940	1,385,000

(iv) The fair values of the Group's borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

(v) The Group's borrowings were denominated in RMB.

(vi) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 3.1.

(vii) Financial arrangements

As at 31 August 2025, the Group had no undrawn bank borrowing facilities (2024: RMB12,000,000).

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

26.1 Accounting policies of Convertible Bonds

Convertible Bonds (Note 26.2(a)) issued by the Company can be converted into the share capital of the Company at the option of the investor.

The Group designates Convertible Bonds as financial liabilities at fair value through profit or loss based on relevant requirements under IFRS Accounting Standards. They are initially recognised at fair value. In the subsequent measurement, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, and the remaining amount of change in the fair value of convertible bond shall be presented in profit or loss.

When assessing whether the terms of Convertible Bonds were substantially modified, the Group choose to perform not only quantitative analysis but also qualitative assessment. Under the quantitative analysis, if the Convertible Bonds' present value of the new cash flows under the new terms is at least 10% different from the present value of the remaining cash flows of the original liabilities, using the original effective interest rate, the terms were substantially modified under IFRS Accounting Standards. The Group's qualitative assessment depends on specific facts and circumstances, in order to identify whether the modifications of terms will significantly affect the economic risks of the Convertible Bonds. The Group's qualitative assessment considers factors include, but are not limited to, the following:

- A change in the currency in which the liability is denominated;
- A change in the interest basis (such as a change from fixed rate to floating rate, or vice versa);
- A change in any conversion features; and
- A substantial change in covenants.

26.2 Financial information of Convertible Bonds

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Current		
Convertible Bonds	–	749,328

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

26.2 Financial information of Convertible Bonds (Continued)

(a) Issuance of the Convertible Bonds

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

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

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

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

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

26.2 Financial information of Convertible Bonds (Continued)

(b) Repurchase of and amendments to the Convertible Bonds

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

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

(1) A mandatory redemption by the Company totalling HK$500,000,000 to all the remaining Bondholders on a pro-rata basis on 30 January 2023. The remaining outstanding aggregate principal amount of HK$974,000,000 will be fully repayable on 27 December 2024, with interest payable remains at 0.9% per annum payable semi-annually on 27 June and 27 December in each year, provided conversion under (3) below is not triggered.

(2) The conversion price to the shares of the Company under terms of the Convertible Bonds was amended to HK$1.65 per share (the "**Amended Conversion Price**") from the conversion price of HK$6.68 per share immediately before the amendment.

(3) A right of mandatory conversion of the Convertible Bonds when the volume-weighted average price of the Company's shares for at least 20 trading days (whether or not consecutive) out of any 30 consecutive trading days is at least 130% of the Amended Conversion Price, at any time after 1 March 2023 and prior to the maturity date of 27 December 2024.

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

26.2 Financial information of Convertible Bonds (Continued)

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

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

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

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

(c) Settlements of the Convertible Bonds

On 20 September 2024, the Company repurchased and cancelled a portion of the Convertible Bonds with principal amounts of HK$60,131,614 from certain bondholders at a total consideration of HK$32,471,000 (equivalent to RMB29,438,000), resulted in other gain of HK$18,673,000 (equivalent to RMB16,928,000), and changes in the fair value of the Convertible Bonds attributable to the changes in the credit risk presented in other comprehensive income amounting to approximately HK$17,965,000 (equivalent to RMB16,286,000) was transferred to retained earning. After such repurchase, the outstanding principal amount of the Convertible Bonds was reduced to approximately HK$913,868,386.

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

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

26.2 Financial information of Convertible Bonds (Continued)

(c) Settlements of the Convertible Bonds (Continued)

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

(1) Waivers were granted with respect to, among others, (i) immediate redemption of the Convertible Bonds as a result of suspension of trading of the shares of the Company for a consecutive period of over 20 consecutive trading days from 2 December 2024; and (ii) default interests as stipulated in the Convertible Bonds agreement dated 19 January 2023 thereon as a result of (i) and the Company did not redeem the Convertible Bonds on the maturity date of 27 December 2024.

(2) On the fifth business day after the passing of the Extraordinary Resolution, redeemed HK$430,000,000 (equivalent to RMB397,921,000) on a pro rata basis in an aggregate principal amount of the Convertible Bonds, at their principal amount.

(3) The conversion price to the shares of the Company under terms of the Convertible Bonds was reset to HK$0.733 per share from HK$1.65 per share. The maturity date of the Convertible Bonds was extended from 27 December 2024 to the tenth business day after resumption of trading of the shares of the Company, and on that day the Company was required to mandatorily convert the remaining principal amount of approximately HK$483,868,386 on a pro rata basis into the fixed 660,120,581 shares of the Company at the aforesaid revised conversion price of HK$0.733 per share.

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

26.2 Financial information of Convertible Bonds (Continued)

(c) Settlements of the Convertible Bonds (Continued)

(4) The Company shall, (i) as soon as practicable and within ten business days after the Company's next annual general meeting (held on 11 August 2025), issue 182,000,000 warrants to the bondholders who voted in favor of the Extraordinary Resolution on a pro rata basis, the number of warrants to each bondholder being the portion of the Convertible Bonds held by such bondholder as a percentage of the aggregate outstanding principal amount of the Convertible Bonds that voted in favor of the Extraordinary Resolution, each warrant entitles the holder the right to buy one share of the Company at a fixed price of HK$0.5 and it can be exercised at any time during the exercise period which is within three years after the date of issuance; or (ii) pay HK$70,500,000 in cash to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants, in the event that the Company has not issued the warrants within ten business days after the Company's next annual general meeting or if the ordinary resolution for the issuance of the warrants failed to pass in the Company's next annual general meeting, provided that, in the event that the failure of the issuance of the warrants is not within the Mr. Li Guangyu and his family's control (as defined in the Extraordinary Resolution), the Company and the bondholders shall negotiate for a solution within a period of one month, and if such negotiation fails, the Company shall pay HK$70,500,000 in cash to bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis in lieu of the warrants.

On 31 December 2024 and 2 January 2025, the Company deposited amounts totalling HK$430,000,000(equivalent to RMB397,921,000) into an escrow bank account in Hong Kong in accordance with the Standstill Agreement for the purpose of redemption on the fifth business day after the passing of the Extraordinary Resolution as mentioned above in (c)(2).

In accordance with the Extraordinary Resolution, the Company:

(i) completed the redemption and paid HK$430,000,000 (equivalent to RMB397,921,000) to the bondholders from the escrow bank account on the fifth business day after the passing of the Extraordinary Resolution;

(ii) issued the required shares as mentioned above in (c)(3) under the general mandate passed as an ordinary resolution in the Company's previous annual general meeting held on 29 January 2024, on 14 March 2025, the tenth business day after the resumption of trading of the shares of the Company; and

(iii) issued the required warrants as mentioned above in (c)(4) through passing of an ordinary resolution in the forthcoming annual general meeting of the Company (held on 11 August 2025).

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

26.2 Financial information of Convertible Bonds (Continued)

(c) Settlements of the Convertible Bonds (Continued)

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

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

On 14 March 2025 and 23 April 2025, the Company issued 638,164,281 shares and 21,956,288 shares respectively totalling 660,120,569 shares as mentioned above.

On 25 August 2025, the Company issued 182,000,000 warrants to the bondholders who voted in favour of the Extraordinary Resolution on a pro rata basis with total fair value amounting to HK$35,073,000 (equivalent to RMB31,939,000).

27 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Profit before income tax (Continuing operations)	**898,308**	364,168
Adjustments for:		
— Depreciation of right-of-use assets (Note 13.2(b))	**56,677**	63,355
— Depreciation of property, plant and equipment (Note 13.2(a))	**650,215**	552,212
— Amortisation of intangible assets (Note 14)	**33,871**	31,672
— Provision for impairment of trade and other receivables (Note 17(b))	**2,234**	2,963
— Fair value loss on Convertible Bonds (Note 7)	**24,190**	55,568
— Impairment loss recognised in respect of goodwill (Note 7)	**—**	180,708
— Finance expenses — net	**14,427**	33,884
— Provision for legal claims (Note 7)	**4,661**	17,401
— Share-based compensation expenses (Note 8)	**15,572**	15,611
— Losses on disposal of property, plant and equipment and intangible assets (Note 7)	**4,190**	11,106
— Losses on redemption of Convertible Bonds (Note 7)	**18,075**	—
— Fair value loss on warrants issued (Note 7)	**13,145**	—
— Gains on disposal of land-use-rights (Note 7)	**—**	(17,049)
— Gains from disposal of subsidiaries in Thailand (Note 7)	**(56,975)**	—
— Gains on repurchase of Convertible Bonds (Note 7)	**(16,928)**	—
Changes in working capital:		
— Trade and other receivables	**(4,570)**	106,349
— Contract liabilities	**(117,877)**	282,376
— Accruals and other payables	**92,124**	(20,192)
— Other non-current assets	**(6,479)**	7,297
— Deferred income	**(3,548)**	(3,859)
Cash generated from operations (continuing operations)	**1,621,312**	1,683,570

27 CASH FLOW INFORMATION (CONTINUED)

(a) Cash generated from operations (Continued)

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Net book amounts (Note 13.2(a))	**7,103**	14,071
Losses on disposal of property, plant and equipment	**(4,182)**	(10,944)
Proceeds from disposal of property, plant and equipment	**2,921**	3,127

(b) Net cash/(debt) reconciliation

This section sets out an analysis of net cash/(debt) and the movements in net cash/(debt) for each of the periods presented.

Net debt

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	**1,730,448**	2,090,467
Borrowings (Note 25)	**(636,940)**	(1,385,000)
Convertible Bonds (Note 26)	**—**	(749,328)
Lease liabilities (Note 13)	**(5,071)**	(23,412)
Net cash/(debt)	**1,088,437**	(67,273)
Cash and cash equivalents	**1,730,448**	2,090,467
Gross debt — fixed interest rates	**(5,071)**	(772,740)
Gross debt — variable interest rates	**(636,940)**	(1,385,000)
Net cash/(debt)	**1,088,437**	(67,273)

27 CASH FLOW INFORMATION (CONTINUED)

(b) Net cash/(debt) reconciliation (Continued)

	Assets	Liabilities from financing activities			
	Cash and cash equivalents RMB'000	Borrowings RMB'000	Convertible Bonds RMB'000	Lease liabilities RMB'000	Net cash/ (debt) RMB'000
As at 31 August 2023	2,370,966	(1,456,900)	(811,117)	(17,529)	85,420
Cash flows	(276,568)	71,900	–	13,198	(191,470)
— Continuing operations	(288,699)	71,900	–	11,553	(205,246)
— Discontinued operations	12,131	–	–	1,645	13,776
Foreign exchange adjustments	(3,931)	–	(2,768)	–	(6,699)
Other non-cash movements	–	–	64,557	(19,081)	45,476
As at 31 August 2024	2,090,467	(1,385,000)	(749,328)	(23,412)	(67,273)
Cash flows	**(359,395)**	**748,060**	**427,359**	**3,996**	**820,020**
— Continuing operations	**(370,406)**	**748,060**	**427,359**	**3,996**	**809,009**
— Discontinued operations	**11,011**	**–**	**–**	**–**	**11,011**
Foreign exchange adjustments	**(624)**	**–**	**7,146**	**–**	**6,522**
Other non-cash movements	**–**	**–**	**314,823**	**14,345**	**329,168**
As at 31 August 2025	**1,730,448**	**(636,940)**	**–**	**(5,071)**	**1,088,437**

28 COMMITMENTS

(a) Capital commitments

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

	As at 31 August	
	2025 RMB'000	2024 RMB'000
Construction project of a new campus	**363,204**	437,888

29 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

Name and relationship with related parties:

Names of the related parties	**Nature of relationship**
Mr. Li Guangyu	The Controlling Shareholder
Zhengzhou Corn Culture Communication Co. Ltd.	A company controlled by the Controlling Shareholder
Henan Yisu Education Technology Co., Ltd.	A company controlled by the Controlling Shareholder

(a) Transactions with related parties

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Purchases of services from related parties	**716**	716

(b) Loans from a related party

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Loans from a related party	**61,000**	–

29 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

	As at 31 August 2025 RMB'000	2024 RMB'000
Amounts due to related parties		
— The Affected Business upon deconsolidation	**673,530**	594,030
— The Controlling Shareholder	**9,702**	9,371
— Zhengzhou Corn Culture Communication Co., Ltd.	**3,449**	3,064
— Henan Yisu Education Technology Co., Ltd.	**61,000**	—
	747,681	606,465

As at 31 August 2025, all balances due from and due to the Controlling Shareholder and related parties are unsecured and repayable on demand.

(d) Guarantees for borrowings

	As at 31 August 2025 RMB'000	2024 RMB'000
Borrowings guaranteed by a Controlling Shareholder (Note 25(a)(ii))	—	220,000

(e) Key management compensation

Key management includes directors of the Company and senior managements of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 August 2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	**5,407**	5,376
Share-based compensation	**1,051**	985
Contributions to pension plans	**212**	185
Welfare and other expenses	**204**	171
	6,874	6,717

Wages, salaries and bonuses, contributions to pension plans and welfare and other expenses above have been paid before year end and there were no balance in other payables (2024: Nil). The share-based compensation provided to key management consist of options which is equity-settled.

30 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance Sheet of the Company

	Note	As at 31 August 2025 RMB'000	2024 RMB'000
Non-current assets			
Investments in subsidiaries		**170,655**	155,083
Receivables from subsidiaries		**1,326,801**	1,328,138
Total non-current assets		**1,497,456**	1,483,221
Current assets			
Cash and cash equivalents		**106,708**	379,588
Term deposits with initial term of over three months		**46,640**	—
Total current assets		**153,348**	379,588
Total assets		**1,650,804**	1,862,809
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		**36**	30
Share premium	(a)	**1,992,909**	1,762,405
Other reserves	(a)	**130,621**	347,303
Accumulated losses	(a)	**(825,196)**	(1,133,602)
Total equity		**1,298,370**	976,136
Liabilities			
Non-current liabilities			
Payables due to subsidiaries		**352,434**	136,201
Other non-current liabilities		**—**	1,144
Total non-current liabilities		**352,434**	137,345
Current liabilities			
Financial liabilities at fair value through profit or loss		**—**	749,328
Total current liabilities		**—**	749,328
Total liabilities		**352,434**	886,673
Total equity and liabilities		**1,650,804**	1,862,809

The balance sheet of the Company was approved by the Board of Directors on 28 November 2025 and was signed on its behalf:

Li Hua
Director

Ren Yandan
Director

30 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Reserve movement of the Company

	Share premium RMB'000	Capital reserve RMB'000	Share-based payments reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 September 2023	1,762,405	46	112,904	106,482	(1,082,772)	899,065
Loss for the year	–	–	–	–	(50,830)	(50,830)
Other comprehensive income						
Changes in fair value related to the changes in credit risk of Convertible Bonds	–	–	–	114,589	–	114,589
Currency translation differences	–	–	–	(2,329)	–	(2,329)
Transactions with owners						
Share-based compensation	–	–	15,611	–	–	15,611
At 31 August 2024	1,762,405	46	128,515	218,742	(1,133,602)	976,106
At 1 September 2024	**1,762,405**	**46**	**128,515**	**218,742**	**(1,133,602)**	**976,106**
Loss for the year	**–**	**–**	**–**	**–**	**(60,976)**	**(60,976)**
Other comprehensive income						
Changes in fair value related to the changes in credit risk of Convertible Bonds	**–**	**–**	**–**	**104,710**	**–**	**104,710**
Transfer of changes in fair value related to the changes in the credit risk of Convertible Bonds due to the termination of Convertible Bonds	**–**	**–**	**–**	**(369,382)**	**369,382**	**–**
Currency translation differences	**–**	**–**	**–**	**479**	**–**	**479**
Transactions with owners						
Ordinary shares to be issued	**–**	**–**	**–**	**230,510**	**–**	**230,510**
Issue of ordinary shares	**230,504**	**–**	**–**	**(230,510)**	**–**	**(6)**
Issue of warrants	**–**	**–**	**–**	**31,939**	**–**	**31,939**
Share-based compensation	**–**	**–**	**15,572**	**–**	**–**	**15,572**
At 31 August 2025	**1,992,909**	**46**	**144,087**	**(13,512)**	**(825,196)**	**1,298,334**

31 MAJOR SUBSIDIARIES

31.1 Accounting policies of subsidiaries

31.1.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Subsidiaries controlled through Contractual Arrangements

The Group conducts a substantial portion of its business through YuHua Investment Management Co., Ltd, Zhengzhou YuHua Education Investments Co., Ltd, Zhengzhou Hanchen Education Science and Technology Limited, Zhengzhou Qinfeng Education Science and Technology Limited, Changsha Jiuzhao Information Technology Management Company Limited, Henan Gaowen Education Consulting Co., Ltd (the "**VIE Entities**") and their subsidiaries (collectively the "**Consolidated Affiliated Entities**") in the Chinese mainland through the contractual agreements ("**Contractual Agreements**") entered into by Xizang Yuanpei Information Technology Management Company Limited ("**Xizang Yuanpei**"), a wholly foreign owned enterprise of the Group ("**WFOE**"), the Consolidated Affiliated Entities and their equity shareholders. The Contractual Agreements enable the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interests and returns generated by the Consolidated Affiliated Entities, in consideration for the technical and consulting services provided by the WFOEs, at the WFOEs' discretion;
- obtain the irrevocable and exclusive right for the WFOE or their designated persons to purchase all or part of the equity interests in the Consolidated Affiliated Entities from their equity shareholders at a minimum purchase price permitted under the PRC laws and regulations at such WFOE's sole and absolute discretion to the extent permitted by PRC law. The equity shareholders shall return the amount of purchase consideration they have received to the WFOE. In addition, the equity shareholders are not allowed to sell, assign, transfer, or otherwise disposed of or create encumbrance over their interests in any of the Consolidated Affiliated Entities directly or indirectly without prior written consent of the WFOE; and

31 MAJOR SUBSIDIARIES (CONTINUED)

31.1 Accounting policies of subsidiaries (Continued)

31.1.1 Consolidation (Continued)

(a) *Subsidiaries controlled through Contractual Arrangements (Continued)*

- obtain a pledge over the entire equity interest in the Consolidated Affiliated Entities from their equity shareholders to secure the performance of their obligations under the Contractual Agreements.

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Agreements, the Group has power over the Consolidated Affiliated Entities and rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to control the Consolidated Affiliated Entities and accordingly the financial position and their operating results of the Consolidated Affiliated Entities are included in the Group's consolidated financial statements under IFRS Accounting Standards.

However, the Contractual Agreements may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities. Uncertainties presented in the PRC legal system may cause the relevant regulatory authorities not to take the same position as the Group in respect of the legality, binding effect and enforceability of each of the contractual arrangements, and it may result in a material and adverse effect on the Group's ability to conduct the Group's businesses, and impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities. In addition, if the imposition of any of penalties causes the Group to lose the rights to direct the activities of the VIE Entities or the right to receive its economic benefits, the Group would no longer be able to consolidate the VIE Entities. The Directors, based on the advice of its legal counsel, has concluded that (i) the ownership structures of the VIE Entities are not in violation of any existing PRC law or regulation in any material respect; and (ii) each of the Contractual Agreements is valid, legally binding and enforceable to each party of such agreements and will not result in any violation of PRC laws or regulations currently in effect.

31 MAJOR SUBSIDIARIES (CONTINUED)

31.1 Accounting policies of subsidiaries (Continued)

31.1.1 Consolidation (Continued)

(b) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognises amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognises at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in consolidated statement of profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

31 MAJOR SUBSIDIARIES (CONTINUED)

31.1 Accounting policies of subsidiaries (Continued)

31.1.1 Consolidation (Continued)

(b) *Business combination (Continued)*

Intra-group transactions, balances and recognised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(c) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owner in their capacity as owner. The difference between fair value of any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognises in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss.

31.1.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

31 MAJOR SUBSIDIARIES (CONTINUED)

31.2 Financial information of subsidiaries

The following is a list of the principal subsidiaries at 31 August 2025:

Name of subsidiaries	Country/Place and date of incorporation/ establishment	Particulars of issued share capital	Percentage of equity interests attributable to the Group	Percentage of equity interests directly held by the Company	Principal activities/ kind of legal entity	Places of operation
Directly controlled:						
China YuHua Education Investment Limited (中國宇華教育投資有限公司)	BVI/ 28 April 2016	US$1.00	100%	100%	Holding company, Limited liability company	BVI
LEI Lie Ying Limited	Hong Kong/ 26 March 2009	HK$1.00	100%	100%	Holding company, Limited liability company	Hong Kong
Indirectly controlled:						
VIE Entities:						
Zhengzhou YuHua Education Investments Co., Ltd. (鄭州宇華教育投資有限公司)	Chinese mainland/ 9 April 2004	RMB50,000,000	100%	–	Holding company, Limited liability company	Chinese mainland
Zhengzhou Qinfeng Education Science and Technology Limited (鄭州秦風教育科技有限公司)	Chinese mainland/ 19 June 2019	RMB1,000,000	100%	–	Holding company, Limited liability company	Chinese mainland
Zhengzhou Hanchen Education Science and Technology Limited (鄭州漢晨教育科技有限公司)	Chinese mainland/ June 2018	RMB1,000,000	100%	–	Holding company, Limited liability company	Chinese mainland
Henan Gaowen Education Consulting Co., Ltd. (河南高文教育諮詢有限公司)	Chinese mainland/ June 2021	RMB1,000,000	100%	–	Holding company, Limited liability company	Chinese mainland
YuHua Investment Management Co., Ltd. (宇華投資管理有限公司)	Chinese mainland/ November 1993	RMB50,000,000	100%	–	Holding company, Limited liability company	Chinese mainland
Changsha Jiuzhao Information Technology Limited (長沙久照諮詢科技有限公司)	Chinese mainland/ June 2020	RMB1,000,000	100%	–	Holding company, Limited liability company	Chinese mainland

31 MAJOR SUBSIDIARIES (CONTINUED)

31.2 Financial information of subsidiaries (Continued)

Name of subsidiaries	Country/Place and date of incorporation/ establishment	Particulars of issued share capital	Percentage of equity interests attributable to the Group	Percentage of equity interests directly held by the Company	Principal activities/ kind of legal entity	Places of operation
Non-VIE Entities:						
China HongKong Yuhua Education Limited (中國香港宇華教育有限公司)	Hong Kong/ 12 May 2016	HK$1,000.00	100%	–	Holding company, Limited liability company	Hong Kong
Xizang Yuanpei Information Technology Management Company Limited (西藏元培信息科技管理有限公司)	Chinese mainland/ 22 July 2016	US$500,000.00	100%	–	Holding company, WFOE	Chinese mainland
Zhengzhou Technology and Business University (鄭州工商學院)	Chinese mainland/ 9 April 2013	RMB100,000,000	100%	–	University	Chinese mainland
Hunan Lie Ying Industry Co., Ltd. (湖南獵鷹實業有限公司)	Chinese mainland/ 17 December 1996	RMB113,333,334	100%	–	Holding company, Limited liability company	Chinese mainland
Hunan International Economics University ("**HIEU**") (湖南涉外經濟學院)	Chinese mainland/ 13 May 1997	RMB10,000,000	100%	–	University	Chinese mainland
Hunan Lie Ying Property Management Co., Ltd. (湖南獵鷹物業管理有限公司)	Chinese mainland/ 29 July 2002	RMB2,000,000	100%	–	Property management, Limited liability company	Chinese mainland
Hunan Lie Ying Mechanic School (湖南獵鷹技工學校)	Chinese mainland/ 10 September 2007	RMB500,000	100%	–	Vocational school	Chinese mainland
Kaifeng City Yubohui Education Information Consulting Co., Ltd. (開封市宇博慧教育信息諮詢有限公司)	Chinese mainland/ 2 Feb 2018	RMB33,000,000	70%	–	Holding company, Limited liability company	Chinese mainland
Kaifeng Yuhua Elite High School (開封宇華實驗高中)	Chinese mainland/ 12 July 2000	RMB8,000,000	70%	–	High school	Chinese mainland
Jinan Shuangsheng Education Consulting Co., Ltd. (濟南雙勝教育諮詢有限公司)	Chinese mainland/ October 2016	RMB25,500,000	100%	–	Holding company, Limited liability company	Chinese mainland

31 MAJOR SUBSIDIARIES (CONTINUED)

31.2 Financial information of subsidiaries (Continued)

Name of subsidiaries	Country/Place and date of incorporation/ establishment	Particulars of issued share capital	Percentage of equity interests attributable to the Group	Percentage of equity interests directly held by the Company	Principal activities/ kind of legal entity	Places of operation
Shandong Yingcai University (山東英才學院)	Chinese mainland/ May 1998	RMB20,000,000	100%	–	University	Chinese mainland
Shandong Yingcai Highly Mechanic School (山東英才高級技工學校)	Chinese mainland/ August 2014	RMB5,000,000	100%	–	Vocational school	Chinese mainland
Zhengzhou Software Vocational and Technical College (鄭州軟件職業技術學院有限責任公司)	Chinese mainland/ May 2023	RMB50,000,000	100%	–	Vocational school	Chinese mainland

(a) *Non-controlling interests ("NCI")*

Set out below is summarised financial information of the subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

	Kaifeng City Yubohui Education	
	31 August 2025 RMB'000	31 August 2024 RMB'000
Current assets	**161,802**	141,203
Current liabilities	**(23,772)**	(22,607)
Current net assets	**138,030**	118,596
Non-current assets	**33,343**	37,806
Non-current liabilities	**(2,752)**	(3,464)
Non-current net assets	**30,591**	34,342
Net assets	**168,621**	152,938
Accumulated NCI	**50,667**	45,923

31 MAJOR SUBSIDIARIES (CONTINUED)

31.2 Financial information of subsidiaries (Continued)

(a) Non-controlling interests ("NCI") (Continued)

Summarised statement of comprehensive income

	Kaifeng City Yubohui Education	
	Year ended 31 August 2025 RMB'000	Year ended 31 August 2024 RMB'000
Revenue	**43,040**	45,318
Profit for the year	**15,683**	17,271
Other comprehensive income	**—**	—
Total comprehensive income	**15,683**	17,271
Profit attributable to NCI	**4,744**	5,181
Dividends paid to NCI	**—**	—

32 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The emoluments of the Directors are set out below:

	Salary RMB'000	Contribution to pension plan, welfare and other expenses RMB'000	Share-based compensation RMB'000	Total RMB'000
Year ended 31 August 2025				
Name of executive director				
Li Guangyu	**2,630**	**13**	**–**	**2,643**
Li Hua	**1,799**	**64**	**–**	**1,863**
Qiu Hongjun (i)	**68**	**–**	**452**	**520**
Name of independent non-executive director				
Chen Lei	**180**	**–**	**–**	**180**
Fan Nannan	**180**	**–**	**–**	**180**
Zhang Zhixue	**180**	**–**	**–**	**180**
	5,037	**77**	**452**	**5,566**
Year ended 31 August 2024				
Name of executive director				
Li Guangyu	2,329	5	–	2,334
Li Hua	1,690	63	–	1,753
Qiu Hongjun (i)	69	–	423	492
Name of independent non-executive director				
Chen Lei	180	–	–	180
Fan Nannan	180	–	–	180
Zhang Zhixue	180	–	–	180
	4,628	68	423	5,119

Notes:

(i) Ms. Qiu Hongjun was appointed as a director of the Company with effect from 7 September 2016 and resigned at 17 October 2025, due to personal reason. Ms. Ren Yandan was appointed as a director of the Company with effect from 17 October 2025.

(ii) No emoluments have been paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. No Director waived or has agreed to waive any emoluments.

32 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' termination benefits

During the year, no payments was made to directors as compensation for early termination of the appointment (2024: nil).

(c) Consideration provided to third parties for making available directors' service

During the year, no payment was made to the former employer of directors or third parties for making available the services as a director of the Company (2024: nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year, there was no loan, quasi-loan and other dealing in favour of directors, controlled bodies corporate by and connected entities with such directors (2024: nil).

(e) Directors' material interests in transactions, arrangements or contracts

During the year, no significant transaction, arrangement and contract in relation to the Group's business to which the Group companies were parties and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time of the years except for the transactions disclosed in Note 29 (2024: nil).

33 DIVIDENDS

The Board does not recommend the distribution of a final dividend for the year ended 31 August 2025 (2024: Nil).

34 DISPOSAL OF SUBSIDIARIES IN THE THAILAND

On 27 December 2024, one of the Company's wholly owned subsidiaries, China YuHua Education Investment Limited, a company incorporated in the British Virgin Islands with limited liability (the "**Seller**"), and Mr. Xin Yu, a third party individual (the "**Purchaser**"), entered into an acquisition agreement, pursuant to which, the Seller decided to sell and the Purchaser agreed to purchase: (i) 100% of the issued and outstanding ordinary shares of Thai Education Holdings Co., Ltd. ("**TEDCO**"), which owned approximately 92.88% of the issued and outstanding share capital of Fareast Stamford International Co., Ltd. ("**FES**"); and (ii) 7.12% of the issued and outstanding share capital of FES with a total consideration of HK$240,000,000.

The Group's disposal of TEDCO and its subsidiaries was completed at the end of May 2025. As at 31 August, the Group had received partial of the total consideration of HK$194,000,000 (equivalent to RMB178,984,000), and the remaining HK$46,000,000 (equivalent to RMB41,932,000) was received on November 2025.

34 DISPOSAL OF SUBSIDIARIES IN THE THAILAND (CONTINUED)

The Group had receivables due from TEDCO and its subsidiaries, which were no longer internally offset within the Group upon the disposal of TEDCO and its subsidiaries. Based on related payments schedule agreed by the Group and TEDCO and its subsidiaries, upon the disposal of TEDCO and its subsidiaries, the Group recognised a receivable from third parties with fair value of USD15,068,000 (equivalent to RMB107,029,000), and expected credit losses of USD62,000 (equivalent to RMB442,000) were recognised for the year ended 31 August 2025.

The Directors classified the Group's disposed Thailand operations of TEDCO and its subsidiaries as discontinued operations and the results of the discontinued operations were presented separately in the Group's consolidated financial statements for the year ended 31 August 2025. The comparative information relating to the discontinued operations has been re-presented to conform to the current year's presentation.

Upon the completion of the disposal of TEDCO and its subsidiaries on 31 May 2025, disposal gains of approximately RMB56,975,000 were recognised by the Group, representing the aggregate of the consideration of HK$240,000,000 (equivalent to RMB220,916,000) and fair value of the receivable from TEDCO and its subsidiaries of USD15,068,000 (equivalent to RMB107,029,000), totally amounting to RMB327,945,000, in excess of the net assets relating to the discontinued operations as at 31 May 2025 amounting to RMB270,970,000.

34 DISPOSAL OF SUBSIDIARIES IN THE THAILAND (CONTINUED)

The assets and liabilities relating to the discontinued operations as at 31 May 2025 were set out as below:

	As at 31 May 2025 RMB'000
Non-current assets	
Property, plant and equipment	99,155
Intangible assets	57,254
Right of use assets	113,965
Other non-current assets	4,275
Total non-current assets	274,649
Current assets	
Trade and other receivables	5,165
Cash and cash equivalents	131,467
Total current assets	136,632
Total assets	411,281
Liabilities	
Non-current liabilities	
Deferred income tax liabilities	30,900
Lease liabilities	949
Total non-current liabilities	31,849
Current liabilities	
Accruals and other payables	52,641
Contract liabilities	54,942
Lease liabilities	879
Total current liabilities	108,462
Total liabilities	140,311
Net assets	270,970

34 DISPOSAL OF SUBSIDIARIES IN THE THAILAND (CONTINUED)

The financial performance relating to the discontinued operations for the nine months ended 31 May 2025 and for the year ended 31 August 2024 were set out as below:

	Nine months ended 31 May 2025 RMB'000	Year ended 31 August 2024 RMB'000
Revenue	92,652	117,142
Cost of revenue	(44,171)	(54,501)
Gross profit	48,481	62,641
Selling expenses	(5,113)	(5,856)
Administrative expenses	(20,304)	(23,813)
Net impairment losses on financial assets	196	(1,496)
Operating profit	23,260	31,476
Finance income	6,529	1,961
Finance expenses	(2,974)	(544)
Finance income — net	3,555	1,417
Profit before income tax	26,815	32,893
Income taxation	—	(3,609)
Profit from discontinued operations	26,815	29,284
Other comprehensive income		
Remeasurements of post-employment benefit obligations	(66)	651
Currency translation differences	(9,164)	(1,578)
Other comprehensive income, net of tax	(9,230)	(927)
Total comprehensive income from discontinued operations	17,585	28,357

35 SUBSEQUENT EVENT

There is no significant subsequent event up to the date of these consolidated financial statements.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

36.1 Investments and other financial assets

(a) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss); and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**").

The Group reclassifies debt and equity investments when and only when its business model for managing those assets changes.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.1 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (losses)/gains, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other (losses)/gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other (losses)/gains and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other (losses)/gains in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.1 Investments and other financial assets (Continued)

(c) *Measurement (Continued)*

Equity instruments (Continued)

Changes in the fair value of financial assets at FVPL are recognised in other (losses)/gains in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 17 for further details.

36.2 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

36.3 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments* and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.3 Financial guarantee contracts (Continued)

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

36.4 Trade and other receivables

Trade receivables are amounts due from students of university for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 17 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

36.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

36.6 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

36.7 Accruals and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accruals and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.8 Borrowings

Borrowings including the initial tranche of convertible loans are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

36.9 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.10 Employee benefits

(a) Liabilities for wages and salaries

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liabilities in the balance sheet.

(b) Pension obligations

The entities within the Group registered in Chinese mainland make employee benefit contributions based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organised by relevant government authorities in Chinese mainland on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to the existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(c) Housing funds

The Chinese mainland employees of the Group are also entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries. The Group's liabilities in respect of these funds is limited to the contributions payable in each period. The non-Chinese mainland employees are not covered by the housing funds.

(d) Post-employment obligations

Pension obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.10 Employee benefits (Continued)

(d) Post-employment obligations (Continued)

Pension obligations (Continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

36.11 Share-based payments

Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

36.11 Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

36.12 Dividend distribution

Dividend distribution to the Company's Shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's Shareholders or Directors, where appropriate.

36.13 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

36.14 Interest income

Interest income from financial assets at FVPL is included in the net fair value (losses)/ gains on these assets, see Note 7 above.

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 above. Any other interest income is included in other income.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

DEFINITIONS

"2016 Contractual Arrangements"	the series of contractual arrangements entered into by, among others, the Company, WFOE, Mr. Li, Ms. Li and the Group's consolidated affiliated entities, details of which are described in the section headed "Contractual Arrangements" in the Prospectus
"2018 Contractual Arrangements"	a series of contracts and documents entered into in September 2018 between the WFOE, Zhengzhou Qinfeng Education Technology Co., Ltd., Kaifeng City Yubohui Education Information Technology Consulting Co., Ltd., Kaifeng City Xiangfu District Bowang High School and the Registered Shareholders, details of which are described in the section headed "2018 Contractual Arrangements" in this annual report
"2019 Contractual Arrangements"	a series of contracts and documents entered into in July 2019 between the WFOE, the Transferee and the Registered Shareholders, details of which are described in the section headed "The 2019 Contractual Arrangements" in the circular of the Company dated 2 December 2019
"2020 Contractual Arrangements"	a series of contracts and documents entered into in June 2020 between the WFOE, Changsha Jiuzhao Information Technology Co., Ltd. and the Registered Shareholders
"2023 Contractual Arrangements"	a series of contracts and documents entered into in May 2023 between the WFOE, Henan Gaowen Education Consulting Co., Ltd., Zhengzhou Software Vocational and Technical College Co., Ltd. and the Registered Shareholders
"Affiliate" or "affiliate"	means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) an associated company of the Company; or (j) associated company of controlling shareholder of the Company
"Articles of Association"	the amended and restated memorandum and articles of association of the Company adopted by special resolution passed on 11 August 2025, as amended from time to time

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Auditor"	PricewaterhouseCoopers
"Award"	an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Share Award Scheme Rules
"Award Shares"	the Shares granted to a Selected Participant in an Award
"Baikal Lake Investment"	Baikal Lake Investment Holdings Limited, a company incorporated in the BVI with limited liability on 29 August 2016 and the sole shareholder of GuangYu Investment and one of the Controlling Shareholders
"Board" or "Board of Directors"	the board of directors of the Company
"Bondholder(s)"	holder(s) of the Bond(s) from time to time
"Bowang High School"	Kaifeng City Xiangfu District Bowang High School (開封市祥福區博望高中)
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China and, except where the context requires otherwise and only for the purposes of this annual report, references to China or the PRC exclude Hong Kong, Macau and Taiwan; the term "Chinese" has a similar meaning
"China YuHua Education Investment"	China YuHua Education Investment Limited, a company incorporated in the BVI with limited liability on 28 April 2016 and a wholly-owned subsidiary of our Company
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) effective from 3 March 2014, as amended, supplemented or otherwise modified from time to time
"Company", "the Company" or "our "Company"	China YuHua Education Corporation Limited (中国宇华教育集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 25 April 2016

"compulsory education"	grade one to grade nine education, which all citizens in China must receive according to the Compulsory Education Law of the PRC (中華人民共和國義務教育法)
"Contractual Arrangements"	together, the 2016 Contractual Arrangements, 2018 Contractual Arrangements, 2019 Contractual Arrangements, 2020 Contractual Arrangements and 2023 Contractual Arrangements
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Li, Baikal Lake Investment and/or GuangYu Investment
"Director(s)"	the director(s) of the Company from time to time
"Eligible Person(s)"	any individual, being an employee, director (including executive directors, non-executive directors and independent non-executive directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any Affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person
"Group"	the Company, its subsidiaries and the consolidated affiliated entities from time to time or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"GuangYu Investment"	GuangYu Investment Holdings Limited, a company incorporated in the BVI with limited liability on 21 March 2016 and a Controlling Shareholder of the Company

"HIEU Schools"	Hunan International Economics University (湖南涉外經濟學院), Hunan Lie Ying Mechanic School (湖南獵鷹技工學校) and Hunan International Economics University Vocational Skills Training Centre (湖南涉外經濟學院職業技能培訓中心)
"high school(s)"	schools that provide education for students in grade 10 through grade 12
"higher education"	an optional final stage of formal learning that occurs after secondary education, which is often delivered at universities, academies, colleges, seminaries and institutes of technologies
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HongKong Yuhua"	China HongKong Yuhua Education Limited (中國香港宇華教育有限公司), a company incorporated in Hong Kong with limited liability on 12 May 2016 and a wholly-owned subsidiary of the Company
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Implementation Opinions"	the Implementation Opinions on Encouraging and Guiding Private Fund's Entry into the Education Sector and Promoting Healthy Development of Private Education (關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見) promulgated by the Ministry of Education on 18 June 2012
"IPO"	initial public offering of the Shares on 16 February 2017
"K-12"	kindergarten to grade 12
"kindergarten(s)"	educational establishments offering early childhood education to children prior to the commencement of compulsory education
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on 28 February 2017
"Listing Date"	28 February 2017, the date the Shares were listed on the Main Board of the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"middle school(s)"	schools that provide education for students in grade seven through grade nine
"Mr. Li"	Mr. Li Guangyu (李光宇), a PRC citizen and the founder, executive Director and chairman of the Board of the Company
"Ms. Li"	Ms. Li Hua (李花), a PRC citizen and the daughter of Mr. Li. Ms. Li is also an executive Director, the chief executive officer and the vice chairman of the Board of the Company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"PRC Holdcos"	YuHua Investment Management, Zhengzhou YuHua Education Investments and Zhengzhou Zhongmei Education Investments
"PRC Legal Adviser"	Tian Yuan Law Firm
"Pre-IPO Share Option Scheme"	the share option scheme effective from 1 September 2016, the principal terms of which are set out in the section headed "Statutory and General Information — D. Pre-IPO Share Option Scheme and Share Award Scheme — 1. Pre-IPO Share Option Scheme" in Appendix V to the Prospectus
"private education"	the term "private education" used in this annual report refers to private formal education
"Private HEI"	(民辦普通高校) a type of private higher education institution offering junior college, undergraduate and/or post-graduate course that are operated by non-governmental institutions or individuals and not affiliated with any public university
"private school(s)"	schools which are not administered by local, provincial or national governments

"Prospectus"	the prospectus of the Company published on 16 February 2017 in connection with the IPO on the Stock Exchange
"Registered Shareholder(s)"	Mr. Li and Ms. Li, and each of them a Registered Shareholder
"Reporting Period"	the year ended 31 August 2025
"RMB"	Renminbi, the lawful currency of PRC
"school year"	exception for the Group's kindergartens, the school year for all of the Group's schools, which generally starts on or around 1 September of each calendar year and ends on 31 August of the next calendar year
"Selected Participant(s)"	any Eligible Person approved for participation in the Share Award Scheme
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the Company of par value of HK$0.00001 each
"Share Award Scheme"	the share award scheme approved and adopted by the sole shareholder of the Company on 8 February 2017, the principal terms of which are set out in the section headed "Statutory and General Information — D. Pre-IPO Share Option Scheme and Share Award Scheme — 2. Share Award Scheme" in Appendix V to the Prospectus
"Share Award Scheme Rules"	the rules relating to the Share Award Scheme as amended from time to time
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"TEDCO"	Thai Education Holdings Co., Ltd., a private company limited by shares incorporated under the laws of Thailand
"Thailand"	the Kingdom of Thailand

"Transferee"	Zhengzhou Hanchen Education Technology Co., Ltd.* (鄭州漢晨教育科技有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of the Company
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"university" or "universities"	the term "university" used in this annual report refers to tertiary education
"US$"	United States dollars, the lawful currency of the United States
"WFOE"	wholly foreign-owned enterprise
"Xizang Yuanpei"	Xizang Yuanpei Information Technology Management Company Limited (西藏元培信息科技管理有限公司), a company established in the PRC with limited liability on 22 July 2016 and a wholly-owned subsidiary of the Company
"Yubohui Education"	Kaifeng City Yubohui Education Information Consulting Co., Ltd. (開封市宇博慧教育信息諮詢有限公司)
"YuHua Investment Management"	YuHua Investment Management Co., Ltd. (宇華投資管理有限公司), a limited liability company established in the PRC on 23 November 1993 and one of the PRC Holdcos
"Zhengzhou Technology and Business University"	Zhengzhou Technology and Business University (鄭州工商學院), a Private HEI, or where the context requires, Wanfang College
"Zhengzhou YuHua Education Investments"	Zhengzhou YuHua Education Investments Co., Ltd. (鄭州宇華教育投資有限公司), a limited liability company established in the PRC on 9 April 2004 and one of the PRC Holdcos
"Zhengzhou YuHua Elite School"	Zhengzhou YuHua Elite School (鄭州市宇華實驗學校), a campus established in September 2001 for private middle and high school and formerly known as "the Affiliated High School of Peking University, Henan Branch" (北京大學附屬中學河南分校)

"Zhengzhou Zhongmei Education Investments"	Zhengzhou Zhongmei Education Investments Co., Ltd. (鄭州中美教育投資有限公司), a limited liability company established in the PRC on 21 July 2011 and one of the PRC Holdcos
"%"	percent

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

中国宇华教育集团有限公司
China YuHua Education Corporation Limited