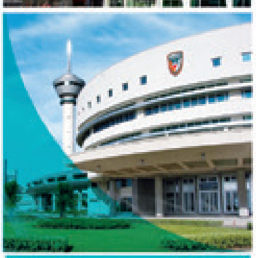
希教國際控股有限公司
XJ International Holdings Co., Ltd.

ANNUAL REPORT
2025

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1765

CONTENTS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Huiwu *(Chief Executive Officer)*
Mr. Deng Yi
(appointed with effect from 27 September 2024)
Ms. Wang Xiu
(appointed with effect from 29 November 2024)
Mr. Xu Changjun
(redesignated from executive Director to non-executive Director with effect from 27 September 2024)
Ms. Lou Qunwei
(resigned with effect from 29 November 2024)

Non-executive Directors

Mr. Zhang Bing *(Chairman)*
Mr. Xu Changjun
(redesignated from executive Director to non-executive Director with effect from 27 September 2024)
Mr. Wang Xiaowu (appointed with effect from 23 January 2025)
Mr. Tang Jianyuan
(resigned with effect from 27 September 2024)
Mr. Li Tao (resigned with effect from 23 January 2025)

Independent Non-executive Directors

Mr. Zhang Jin
Mr. Liu Zhonghui
Mr. Xiang Chuan

Audit Committee

Mr. Zhang Jin *(Chairman)*
Mr. Xu Changjun
(appointed with effect from 27 September 2024)
Mr. Wang Xiaowu
(appointed with effect from 23 January 2025)
Mr. Liu Zhonghui
Mr. Xiang Chuan
Mr. Tang Jianyuan
(resigned with effect from 27 September 2024)
Mr. Li Tao
(resigned with effect from 23 January 2025)

Nomination and Remuneration Committee

Mr. Liu Zhonghui *(Chairman)*
Mr. Wang Huiwu
Mr. Xiang Chuan
Ms. Wang Xiu
(appointed as a member with effect from 29 August 2025)
Mr. Zhang Jin
(appointed as a member with effect from 29 August 2025)

Strategy and Development Committee

Mr. Wang Huiwu *(Chairman)*
Mr. Zhang Bing
Mr. Deng Yi
(appointed with effect from 27 September 2024)
Ms. Wang Xiu
(appointed with effect from 29 November 2024)
Mr. Wang Xiaowu
(appointed with effect from 23 January 2025)
Mr. Xu Changjun
(ceased to be a member with effect from 27 September 2024)
Ms. Lou Qunwei
(resigned with effect from 29 November 2024)
Mr. Li Tao
(resigned with effect from 23 January 2025)

AUTHORIZED REPRESENTATIVES

Mr. Wang Huiwu
(appointed with effect from 23 January 2025)
Ms. Chan Yin Wah
Mr. Li Tao
(resigned with effect from 23 January 2025)

JOINT COMPANY SECRETARIES

Mr. Tan Li
(appointed with effect from 13 February 2025)
Ms. Chan Yin Wah
Mr. He Di
(resigned with effect from 23 January 2025)

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

5/F, Administrative Building
Sichuan TOP IT Vocational Institute
2000 Xi Qu Avenue
Pidu District
Chengdu, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAW

Tian Yuan Law Firm LLP
Suites 3304–3309, 33/F
Jardine House
One Connaught Place
Central
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

COMPLIANCE ADVISOR

Giraffe Capital Limited
3/F, 8 Wyndham Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR

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 BANKERS

Bank of China

COMPANY'S WEBSITE

www.hopeedu.com

STOCK CODE

1765

OUR SCHOOLS

SCHOOLS OVERVIEW AND DISTRIBUTION

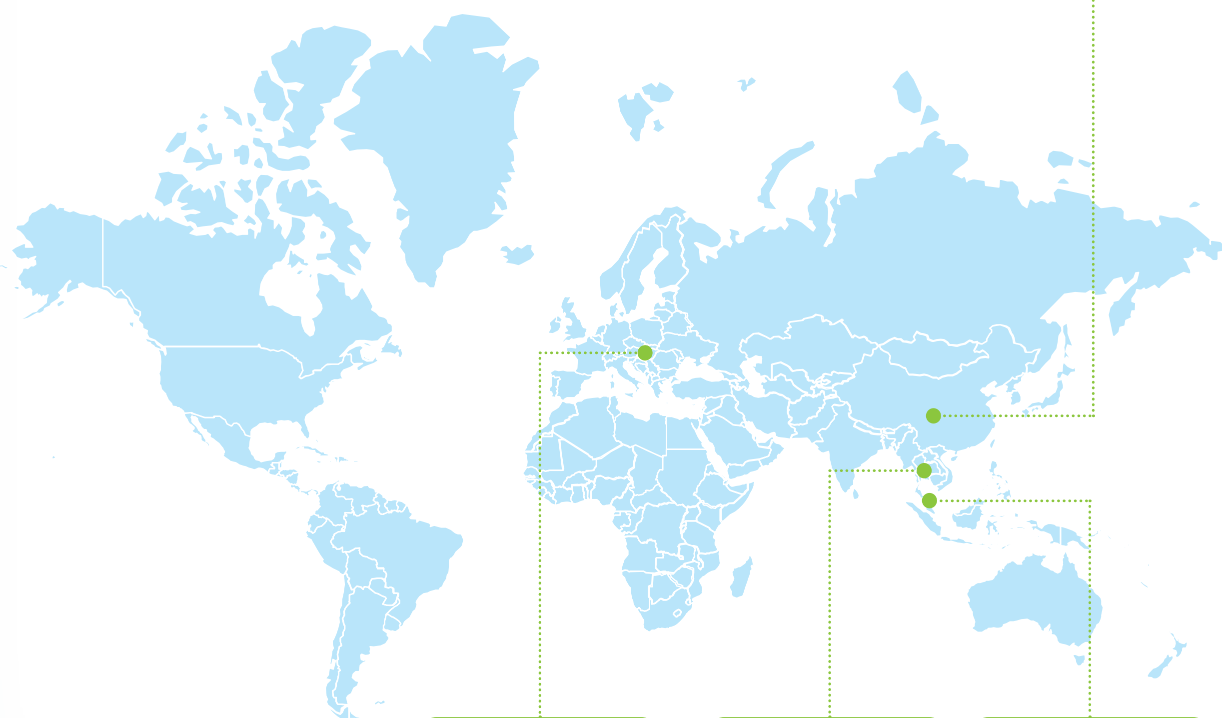
We operate domestically and overseas

22 schools

10 colleges & universities

10 junior colleges

2 technician colleges



Dear Shareholders,

On behalf of the Board, I hereby present to the Shareholders the Company's report for the financial year ended 31 August 2025.

Over the past year, the Company has adhered to the general tone of "seeking progress while maintaining stability, and emphasizing both quality and efficiency" in its development. We successfully resolved the debt crises and reduced liabilities by disposing of certain assets, thereby solidifying the foundation for future development. Centered on the quality of talent cultivation, we fully promoted the integration of industry and education, achieving steady improvements in overall educational quality and brand influence.

1. Focusing on the Core of Talent Cultivation and Solidifying the Foundation of Our Institutional Brands

During the Reporting Period, the institutions operated by the Company consistently prioritized the quality of talent cultivation and systematically advanced educational and teaching reforms. By increasing resource investment and continuously optimizing the structure of our teaching staff, we recruited over 1,100 teachers during the year and recognized nearly 100 senior "dual-qualified" teachers. Concurrently, we fully implemented a "mentorship system" to effectively enhance the teaching capabilities of our faculty.

2. Deepening School-Enterprise Cooperation and Improving Employment Services

During the Reporting Period, the Company continued to consolidate its school-enterprise cooperation ecosystem. We added nearly 100 new cooperative enterprises throughout the year and precisely matched the supply and demand of talent through diversified cooperation models such as the modern apprenticeship system, order-based classes, and industrial colleges. In total, we held 799 job fairs and dedicated recruitment events, attracting 5,346 participating enterprises and providing over 306,000 job vacancies. Both employment quality and social satisfaction continued to improve.

3. Advancing Overseas Development Strategy and Highlighting International Brand Strength

During the Reporting Period, the Company made solid strides in its internationalization strategy. INTI International University in Malaysia rose 7 places in the QS World University Rankings 2026 to rank 509th globally (122nd in Asia) and was honored with the "Malaysia's Best Higher Education Group Award". Shinawatra University in Thailand ranked 250th in the QS Asia University Rankings 2026. Wekerle Business School in Hungary was officially upgraded to "Wekerle International University" in June 2025, achieving a historic leap in its educational level. The enrollment scale and academic reputation of our overseas institutions have improved synchronously, with the global education brand effect becoming increasingly prominent.

4. Solidifying the Foundation of Operational Management and Ensuring Steady Development

During the Reporting Period, facing a complex external environment and debt pressure, the Company successfully resolved the debt crises through scientific planning and precise measures, ensuring stable teaching order and operations at its institutions. The Company rationally disposed of certain non-core assets, effectively reducing the scale of debt and improving cash flow, laying a solid financial foundation for the Company's sustainable and healthy development.

Looking ahead, we will work with dedication and pragmatism as we embark together on a new journey

1. Deepening the integration of science and education to empower talent cultivation

The Company will actively respond to the "AI+" action plan of the country, promote the deep integration of new technologies such as AI, big data, VR/AR, and simulation technology into the entire teaching process, create virtual-real integrated practical training scenarios to comprehensively enhance students' ability to solve complex problems, and cultivate more high-quality applied and technical talents.

2. Optimizing global synergy and strengthening resource integration

The Company will continue to promote the sharing of high-quality domestic and foreign educational resources, innovate joint training mechanisms, and strengthen the overall synergy of the Group. This will further enhance the Company's competitiveness and influence in the global higher education sector.

3. Enhancing lean management and improving operational efficiency

We will deepen lean operations management, optimize asset allocation, and enhance asset management efficiency; strictly control debt risks, ensure healthy cash flow, continuously consolidate core competitive edge, and lay a solid foundation for the Company's long-term steady development.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to governments at all levels, all sectors of society and our Shareholders for their long-term care and support for the development of the Company. I would also like to thank all our students and parents for their trust and choice. Also, I would like to express my sincere appreciation to the Board members, senior management as well as the management and teaching staff in each of our colleges for their contribution and dedication. Going forward, with unwavering confidence and seeking progress while maintaining stability, we will continue to improve the quality of school operation, enhance the brand of our institutions, and fully drive the Company's high-quality development.

XJ International Holdings Co., Ltd.
Zhang Bing
Chairman

Hong Kong, 28 November 2025

FINANCIAL SUMMARY

A summary of the key items of financial position and cash flows for each year/period ended, as extracted from the published audited financial statements, is set out below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	in millions of RMB Year ended 31 August				
	2025	2024	2023	2022	2021
Total revenue	**3,960.34**	3,732.07	3,581.63	3,042.69	2,324.27
Gross profit	**1,667.80**	1,573.57	1,680.18	1,395.14	1,175.97
Adjusted gross profit	**1,720.10**	1,621.68	1,760.77	1,492.23	1,237.12
Profit for the year	**386.68**	613.09	210.77	445.90	605.12
Adjusted net profit	**705.81**	693.18	874.81	758.58	866.36

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	in millions of RMB As at 31 August				
	2025	2024	2023	2022	2021
Assets					
Non-current assets	**15,906.43**	18,262.35	18,159.87	17,412.90	14,174.61
Current assets	**6,090.77**	4,019.17	4,141.53	4,900.17	5,719.65
Total assets	**21,997.20**	22,281.52	22,301.40	22,313.07	19,894.26
Liabilities					
Current liabilities	**8,781.72**	9,407.66	9,410.98	10,049.52	8,797.48
Non-current liabilities	**3,633.34**	3,719.36	4,450.69	4,215.72	3,289.95
Total liabilities	**12,415.06**	13,127.02	13,861.67	14,265.24	12,087.43
Equity					
Total equity	**9,582.14**	9,154.50	8,439.73	8,047.83	7,806.83

HIGHLIGHTS

1. Focusing on improving the quality of talent cultivation and building a diversified education system

With the core of improving the quality of talent cultivation, our schools have made overall plans and adopted comprehensive measures to implement the "four-dimensional integration" initiatives: Firstly, we promoted the integration of majors and industries, closely followed the needs of social and economic transformation and development and modern industrial layout, dynamically adjusted the structure of majors, and realized resonance and effective connection between the set-up of majors and industry development; Secondly, we strengthened the integration of teachers' theories and skills, recruited more than 1,100 teachers throughout the year (including 130 teachers with senior titles and 26 teachers with a doctor's degree), identified nearly 100 senior dual-qualified teachers, implemented the "mentorship system" (with 206 mentors guiding 817 young teachers), and selected more than 200 teachers to practice in enterprises to practically improve their skill teaching quality; Thirdly, we drove the integration of "posts, courses, competitions and certificates". Industry post standards, skill competition requirements, and vocational certificate content were systematically integrated into the entire process of courses and the teaching, so as to realize "courses to match posts, competitions to promote skills, and certificates to enhance competitiveness"; Fourthly, we promoted the integration of practical training and enterprise scenarios, built an integrated teaching system of "on-campus practical training + enterprise scenarios", built 52 new professional practical training units for majors covering cutting-edge fields such as robotics and new energy technologies, introduced 79 sets of practical training software, upgraded and transformed 74 practical training units, and built 394 multimedia classrooms to strengthen skill training with real scenarios.

2. Deepening school-enterprise collaborative education and broadening high-quality employment channels

The Company collaborated with various colleges and universities by taking the integration of industry and education as a starting point to continue deepening the school-enterprise collaborative education mechanism, established new cooperative relationships with nearly 100 key enterprises, covering areas such as intelligent entrepreneurship and innovation, model trading, and cloud classrooms, and promoted the coordinated development of talent cultivation and industrial innovation side by side. The employment service mechanism was continuously refined, with a total of 799 mutual selection job fairs and special job fairs held throughout the year, attracting 5,346 enterprises to participate and offering more than 181,000 positions. Online recruitment information was released 5,464 times, expanding over 125,000 job opportunities. During the Reporting Period, the comprehensive capabilities of graduates from all schools were widely recognized by employers, and the average post-graduation placement rate of graduates steadily increased compared to the previous year.

3. Continuously promoting the international strategic layout and expanding our influence in international education

The Company continued to promote its international development strategy, and its operating capacity and brand influence of its overseas schools have significantly improved. INTI International University in Malaysia ranked 509th in the QS World University Rankings 2026 and 122nd in Asia, and was awarded the "Malaysia's Best Higher Education Group Award". Shinawatra University ranked 250th in QS Asia University Rankings 2026, placing it among the top ten in Thailand. Wekerle Business School in Hungary was upgraded to "Wekerle International University" in June 2025.

We actively promoted the sharing of quality educational resources among overseas and domestic institutions, and our sino-foreign cooperation education projects were implemented steadily, achieving new milestones in the work of joint talent cultivation.

REVIEW OF POLICIES

The 2024–2035 Master Plan on Building China into a Leading Country in Education (《教育強國建設規劃綱要(2024–2035)》): it was jointly issued by the CPC Central Committee and the State Council in January 2025 and clearly proposed the strategic goal for the first time to build a leading country in education by 2035. As China's first national-level action plan themed "leading country in education", it aims at promoting the integrated development of education, technology, and talent through systematic deployment, serving the modernization with Chinese characteristics, and enhancing the efficiency of the national innovation system comprehensively.

The 2025 Government Work Report (《2025年政府工作報告》): it was considered and approved by the Third Session of the Fourteenth National People's Congress and clearly required to "deeply implement the strategy of rejuvenating the country through science and education, and enhance the overall efficiency of the national innovation system." The report proposed to formulate and implement a three-year action plan for building a leading country in education, advancing education development, technological innovation, and talent cultivation in a coordinated manner, thereby establishing a foundational and strategic support for modernization with Chinese characteristics.

The Opinions on Deeply Implementing the 'AI+' Action (《關於深入實施「人工智能+」行動的意見》): it was issued by the State Council in August 2025 and proposed that "By 2027, China will take the lead in widely and deeply integrating artificial intelligence into six key areas, the penetration rate of new-generation intelligent terminals and intelligent agents will exceed 70%, the scale of the intelligent economy's core industries will grow rapidly, the role of artificial intelligence in public governance will be significantly enhanced, and the open cooperation system for artificial intelligence will be continuously refined". It requires: "The promotion of artificial intelligence education across all academic stages and general education for the entire society, universities are encouraged to optimize their set-up of disciplines and majors, and to construct foundational disciplines of artificial intelligence. Vocational colleges should closely integrate with development needs, offer artificial intelligence application technology-related majors, strengthen practical teaching, and cultivate skilled talents". "Artificial intelligence skills training shall be vigorously supported to stimulate innovation, entrepreneurship, and re-employment vitality in artificial intelligence. Enterprises are supported to cooperate with universities and training institutions to carry out customized talent cultivation projects, closely integrating educational resources with market demand, and providing enterprises with more high-quality professional talents that meet their needs".

Business Development Achievements of Our Schools

1. Placing quality at the center and building a new ecosystem for talent cultivation

The structure of majors was continuously optimized, with 12 higher vocational colleges dynamically adjusting their majors, adding 32 majors related to the cutting edge of the industry such as artificial intelligence technology and big data analysis, suspending enrollment in 20 majors with insufficient adaptability to the market demand, and formulating 396 major construction plans. We focused on cultivating benchmarks of majors, creating 7 group-level first-class majors (such as vehicle engineering at Southwest Jiaotong University Hope College and financial management at Guizhou Qiannan Economic College), the number of provincial-level first-class undergraduate major construction sites increased to 23, with 21 new provincial-level first-class courses, golden courses, and excellent courses added, and 41 key projects newly approved under the school-level characteristic major cultivation project; 2 new provincial-level modern industrial colleges were added, and 1 national typical case of industry-education integration and science-education integration was awarded. The quality of talent cultivation has been significantly improved. The schools have won 567 national awards and 2,621 provincial awards in various academic and skill competitions, and 364 outstanding works have been included in the resource database.

2. *Fruitful achievements in educational and scientific research, with innovative vibrancy from both domestic and overseas institutions*

The scientific research capabilities of domestic schools have steadily improved. 19 domestic schools newly initiated 1,068 projects of various levels and types, representing a year-on-year increase of 63.33%, including 218 provincial-level projects (a year-on-year increase of 16.4%), 339 municipal-level projects (a year-on-year increase of 92.27%), and 511 school-level projects (a year-on-year increase of 71.85%); 1,536 papers have been published (a year-on-year increase of 57.87%), including 162 papers in core journals (including 40 indexed by SCI, 41 indexed by EI, and 57 in Chinese core journals); 249 patents have been granted (a year-on-year increase of 98.77%). 23 self-compiled textbooks have been developed (including 4 national planned textbooks and 19 provincial planned textbooks) and 20 monographs have been published. Our schools actively engaged in scientific research cooperation with society to promote industrial development.

The scientific research influence of overseas schools continues to increase. INTI International University in Malaysia has published 2,021 papers in international journals; Shinawatra University in Thailand added 465 papers indexed by Scopus.

3. *Deepening school-enterprise collaborations and promoting a steady improvement in employment quality*

During the Reporting Period, nearly 100 enterprises joined as new school-enterprise partners, covering areas such as intelligent entrepreneurship and innovation, and cloud classrooms. Talents were cultivated through apprenticeship, order classes, and modern industrial colleges. 52 new professional practical training units (covering cutting-edge fields such as robotics technology and e-commerce live streaming) were constructed, 84 on-campus practical training units were built, 79 sets of practical training software were introduced, 394 multimedia classrooms were constructed, and 40,000 pieces of teaching instruments and equipment were provided. Southwest Jiaotong University Hope College has successfully secured approval for 8 Supply-Demand Matching Career Development Projects of the Ministry of Education.

Our schools held 799 mutual selection job fairs and special job fairs throughout the year, attracting 5,346 enterprises to participate and providing over 306,000 job vacancies (181,000 offline and 125,000 online). They conducted 127 employment guidance training sessions and 408 career planning lectures, helping students achieve a pass rate of 90% in the "three passes assessment". The average post-graduation placement rate of graduates from our schools increased steadily compared to the previous year, and Yinchuan University of Energy received the first prize in the Ningxia Autonomous Region University employment work assessment.

4. *New breakthroughs in international school operation and new achievements in the synergy of domestic and overseas resources*

INTI International University in Malaysia ranked 509th in the QS World University Rankings 2026 (122nd in Asia) and was awarded the "Malaysia's Best Higher Education Group Award". Shinawatra University in Thailand ranked 250th in the QS Asia University Rankings 2026. Wekerle Business School in Hungary was officially upgraded to "Wekerle International University" in June 2025, achieving an important leap in its educational level.

We actively promoted the synergy and sharing of quality educational resources among domestic and overseas institutions, steadily carried out Sino-Foreign cooperation projects, ceaselessly deepened innovation in joint talent cultivation models, drove new achievements in international education, and continuously enhanced the Company's competitiveness and influence in the global higher education sector.

Significant Events during the Reporting Period

1. On 16 September 2024, the Bank of New York Mellon, London Branch filed a Notice of Appeal to the Court of Appeal against the order of dismissal of winding-up petition made by the High Court on 28 August 2024. The hearing of the appeal took place on 17 April 2025 and a judgment was handed down by the Court of Appeal on 18 June 2025 that the said appeal was dismissed. For details, please refer to the announcements of the Company dated 16 September 2024, 18 December 2024, 17 April 2025 and 18 June 2025.

2. With effect from 27 September 2024, Mr. Tang Jianyuan has resigned as a non-executive Director and a member of the audit committee of the Company in order to devote more time to his personal matters; Mr. Xu Changjun has been re-designated from the position of an executive Director to a non-executive Director, ceased to be a member of the strategy and development committee of the Company and has been appointed as a member of the audit committee of the Board; and Mr. Deng Yi has been appointed as an executive Director and a member of the strategy and development committee of the Company. For details, please refer to the announcement of the Company dated 27 September 2024.

3. On 29 November 2024, Sichuan Hope Education and Chengdu Jinyuhua Enterprise Management Co., Ltd.* (成都瑾育華企業管理有限公司) entered into a transfer agreement with Laike Holdings Co., Ltd.* (萊克控股有限公司) and Nanfeng Zhiwoyi (Beijing) Education Technology Co., Ltd.* (南風知我意(北京)教育科技有限公司) to dispose of 100% equity interests in the Weixian Giant Education Technology Co., Ltd.* (威縣巨人教育科技有限公司) and Hebei Wuhu Property Development Co., Ltd.* (河北五湖房地產開發有限公司) and the entire operational rights and interests in the Xingtai Vocational College of Applied Technology* (邢台應用技術職業學院). As the highest applicable percentage ratio in respect of the disposal exceeds 25% but is less than 75%, the disposal is subject to approval of the shareholders of the Company pursuant to Rule 14.06(3) of the Listing Rules. Since additional time is needed to prepare for and finalize the content, the dispatch of the relevant circular is delayed to 23 October 2025. For details, please refer to the announcements of the Company dated 29 November 2024, 19 December 2024, 28 January 2025, 28 February 2025, 31 March 2025, 30 April 2025, 30 May 2025, 30 June 2025, 31 July 2025, 29 August 2025 and 30 September 2025.

4. With effect from 29 November 2024, Ms. Lou Qunwei has resigned as an executive Director and a member of the strategy and development committee of the Company due to change in work arrangement. Ms. Wang Xiu has been appointed as an executive Director and a member of the strategy and development committee. For details, please refer to the announcement of the Company dated 29 November 2024.

5. With effect from 4 December 2024, Mr. Yang Wen has been appointed as the chief investment officer of the Company. For details, please refer to the announcement of the Company dated 4 December 2024.

6. On 23 January 2025, Mr. Li Tao has resigned as a non-executive Director, a member of the audit committee of the Company, a member of the strategy and development committee of the Company and an authorized representative of the Company due to change in work arrangement. Mr. Wang Xiaowu has been appointed as a non-executive Director, a member of the audit committee of the Company and a member of the strategy and development committee of the Company. Mr. Yuan Junmin has resigned as the chief financial officer of the Company due to change in work arrangement, and Mr. Yang Wen has been appointed as the chief financial officer of the Company. Mr. Yang Wen has resigned as the chief investment officer of the Company due to change in work arrangement, and Mr. Tan Li has been appointed as the chief investment officer of the Company. Mr. He Di has resigned as a joint company secretary of the Company due to personal reasons. Mr. Wang Huiwu has been appointed to replace Mr. Li Tao as the authorized representative of the Company. For details, please refer to the announcement of the Company dated 23 January 2025.

7. On 13 February 2025, Mr. Tan Li has been appointed as the joint company secretary of the Company with effect from 13 February 2025. For details, please refer to the announcement of the Company dated 13 February 2025.

8. On 13 February 2025, Sichuan Hope Education and Lanzhou Hengwen Middle School New Campus Co., Ltd.* (蘭州衡文中學新校區有限責任公司) entered into the equity transfer agreement, pursuant to which Sichuan Hope Education has agreed to dispose of and Lanzhou Hengwen Middle School New Campus Co., Ltd. has agreed to acquire 100% equity interests in Baiyin Mingde Education Co., Ltd.* (白銀明德教育有限責任公司) and its affiliated entity. For details, please refer to the announcements of the Company dated 13 February 2025 and 10 April 2025.

9. On 7 March 2025, the Company announced the formation of a special work group for the convertible bonds which is comprised of Mr. Yang Wen as group leader, and Mr. Tan Li and Mr. Zhou Xing as members. The group will engage advisors as authorized by the Board to communicate with investors to advance a convertible bond solution. For details, please refer to the announcement of the Company dated 7 March 2025.

10. On 24 April 2025, Sichuan Shurui Enterprise Management Service Co., Ltd.* (四川署瑞企業管理服務有限公司), a wholly-owned subsidiary of the Group, entered into an equity transfer agreement to dispose of 80% equity interests in Nanchang Dongmei Education Technology Co., Ltd.* (南昌東美教育科技有限公司) and interests in its subsidiary entities to Hunan Zhongxie Education Management Group Co., Ltd.* (湖南中協教育管理集團有限公司). For details, please refer to the announcements of the Company dated 24 April 2025 and 19 May 2025.

11. On 26 May 2025, the Company announced that, as of the date, it has repurchased US$78,700,000 in aggregate principal amount of the convertible bonds (representing approximately 22.49% of the convertible bonds originally issued) in accordance with the terms of the convertible bonds, at a total cash consideration of approximately US$47,490,250 (representing approximately 60.34% of the par value of the convertible bonds). The remaining principal amount outstanding after settlement was US$271,300,000. For details, please refer to the announcement of the Company dated 26 May 2025.

12. On 12 June 2025, Chengdu Dingtaiheng Enterprise Management Co., Ltd.* (成都鼎泰亨企業管理有限公司), a wholly-owned subsidiary of the Group, entered into an equity transfer agreement to dispose of 100% equity interests in Zhangshu City Yude Education Management Co., Ltd.* (樟樹市育德教育管理有限公司) and interests in its subsidiary entities to Hainan Aifusheng Technology Co., Ltd.* (海南愛福生科技有限公司). For details, please refer to the announcement of the Company dated 12 June 2025.

13. On 3 July 2025, the Company invited eligible bondholders to approve amendments, withdrawals, waivers and releases relating to the convertible bonds by an extraordinary resolution by electronic consent or meeting of the bondholders. Eligible persons may receive a consent fee of 1.0 per cent. of the principal amount of the bonds. For details, please refer to the announcements of the Company dated 3 July 2025, 18 July 2025, 30 July 2025, 11 September 2025 and 26 September 2025.

14. On 10 July 2025, the Board proposed a rights issue of 1,028,121,838 rights shares at the subscription price of HK$0.2 per rights share based on one rights share for every eight shares held by the qualifying shareholders on the record date. For details, please refer to the announcement of the Company dated 10 July 2025.

15. On 30 July 2025, the rights issue proposed on 10 July 2025 was terminated, and the Board re-proposed a rights issue of 685,414,558 rights shares at the subscription price of HK$0.2 per rights share on the basis of one rights share for every twelve shares held by the qualifying shareholders on the record date. For details, please refer to the announcements of the Company dated 30 July 2025, 20 August 2025, 5 September 2025 and 23 September 2025.

16. On 11 August 2025, the wholly-owned subsidiary of the Group Chengdu Dingtaiheng Enterprise Management Co., Ltd.* (成都鼎泰亨企業管理有限公司) entered into the equity transfer agreement to dispose of 100% equity interests in Xi'an Changdian Education Management Co., Ltd.* (西安長電教育管理有限公司) and interests in its subsidiary entities to Guilin Shanshui No.1 Hotel Management Co., Ltd.* (桂林山水壹號酒店管理有限公司). For details, please refer to the announcements of the Company dated 11 August 2025 and 9 October 2025.

17. On 26 August 2025, the wholly-owned subsidiary of the Group Sichuan Hope Education Industry Group Limited* (四川希望教育產業集團有限公司) entered into the equity transfer agreement to dispose of 100% equity interests in Shanghai Pumeng Zhichuan Education Technology Co., Ltd.* (上海普夢職川教育科技有限公司) and interests in its subsidiary entities to Guilin Punuojie Electronic Co., Ltd.* (桂林普諾基電子有限公司). For details, please refer to the announcement of the Company dated 26 August 2025.

18. On 29 August 2025, Ms. Wang Xiu and Mr. Zhang Jin have been appointed as members of the Nomination and Remuneration Committee of the Board with effect from 29 August 2025. For details, please refer to the announcement of the Company dated 29 August 2025.

Our Students

The Group believes the pragmatic teaching philosophy of its schools, well-developed curriculum system, good-quality teachers as well as its high graduate employment rate help attract high-quality students who are seeking their ideal employment.

	Students Enrolled	
	As at 31 October 2025	As at 31 October 2024
Schools		
Undergraduate colleges	**145,849**	138,739
Junior colleges	**136,471**	143,819
Technical education	**5,488**	8,706
Total	**287,808**	291,264

Note: The enrolled student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools.

OUTLOOK

I. Technology integration to build immersive smart practical training

With technological innovation as the engine, and with the goal of cultivating a new generation capable of creating and mastering new quality productive forces, we aim to nurture new quality talent. Utilizing artificial intelligence and big data, we are deeply reshaping the core teaching process, and by introducing VR/AR and simulation technology, we are creating virtual laboratories and practical scenarios. Upgrading traditional majors, empowering existing majors, and thoroughly implementing "AI+", we closely integrate artificial intelligence, educational resources, and market demand, and provide society with more high-quality professional talents that meet the market needs.

II. Integration of four chains to precisely cultivate talent supporting industrial transformation

We will continue to adhere to the strategy of integrating industry and education, and build an "education chain-talent chain-innovation chain-industrial chain" four-chain integration system. To serve the needs of industries and accelerate coordinated development, school-enterprise cooperation will be deepened through apprenticeships and order-based classes. We focus on improving students' practical skills and problem-solving abilities, effectively enhancing the quality of talent cultivation and industrial service capabilities, and providing more precise educational support for the transformation, upgrading, and high-quality development of the industry.

III. Global presence to achieve sustainable growth

While continuing to operate domestically, we are actively exploring global markets through a light-asset model, especially in regions along the "Belt and Road" where higher education resources are scarce but demand is strong. In terms of operations, we will steadfastly optimize our cost structure, enhance management efficiency through technological means such as artificial intelligence, control costs and expenses, and allocate more resources towards curriculum development and faculty building, so as to ensure the long-term steady improvement of educational quality and social value.

IV. Cost reduction and efficiency enhancement to optimize capital management efficiency

We promote the implementation of cost reduction and efficiency enhancement through diversified measures, precisely improve the efficiency of working capital management, reasonably adjust the debt maturity structure, strengthen the control of interest-bearing liabilities, continuously replenish cash flow, and build core competitiveness, providing strong support for the Company's sustainable development.

FINANCIAL REVIEW

Non-IFRS Measurement

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS Accounting Standards, the Company also uses adjusted gross profit, adjusted net profit and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. The Company believes that these non-IFRS measures facilitate the comparison of operating performance from period to period and company to company by eliminating potential impacts of items that the management does not consider to be indicative of the Group's operating performance.

The annual financial results for the years ended 31 August 2025 and 31 August 2024 are as follows:

Items	**2025 (in millions of RMB)**	2024 (in millions of RMB)
Revenue	**3,960.34**	3,732.07
Less: Cost of sales	**2,292.54**	2,158.50
Gross profit	**1,667.80**	1,573.57
Add: Other income and gains	**391.37**	274.83
Gains and losses arising from changes in fair value	**541.07**	186.52
Less: Selling expenses	**327.35**	241.85
Administrative expenses	**613.90**	600.55
Finance costs	**225.68**	289.41
Other expenses	**916.02**	100.04
Expected credit impairment losses	**27.77**	73.19
Add: Share of profits of a joint venture	**—**	27.18
Profit before tax	**489.52**	757.06
Less: Income tax expense	**102.84**	143.97
Profit for the year	**386.68**	613.09
Adjusted gross profit	**1,720.10**	1,621.68
Adjusted net profit	**705.81**	693.18

Calculation of adjusted gross profit

Items	2025 (in millions of RMB)	2024 (in millions of RMB)
Gross profit	**1,667.80**	1,573.57
Add:		
1. Depreciation and amortisation arising from valuation appreciation	**52.30**	48.11
Adjusted gross profit	**1,720.10**	1,621.68

Description:

Adjusted gross profit is calculated as gross profit for the period after eliminating additional depreciation and amortisation from temporary fair value adjustment of identifiable assets acquired.

Calculation of adjusted net profit

Items	2025 (in millions of RMB)	2024 (in millions of RMB)
Net profit	**386.68**	613.09
Add:		
1. Depreciation and amortisation arising from valuation appreciation	**50.14**	49.16
2. Conversion fees	**22.33**	55.14
3. Foreign exchange gains and losses	**16.62**	(16.33)
4. Equity-settled share option expenses	**2.75**	41.00
5. Finance cost accrued at amortised cost because of deferred payment for acquisition of equity interests	**12.44**	14.12
6. Credit/asset impairment losses and gains and losses on disposal of equity interests	**517.88**	123.52
7. Gains and losses arising from changes in fair value of other assets	**74.04**	—
Less:		
1. Gains and losses arising from changes in fair value and expenses related to restructuring of convertible bonds	**377.07**	186.52
Adjusted net profit	**705.81**	693.18

Description:

Adjusted net profit is calculated as net profit for the period after eliminating (i) additional depreciation and amortisation resulting from the temporary fair value adjustment of the identifiable assets acquired; (ii) conversion fee of independent colleges; (iii) foreign exchange gains/losses; (iv) equity-settled share option expenses; (v) finance cost accrued at amortised cost because of a payment due over one year for the acquisition of equity interests and conversion fee of independent colleges under the agreement; (vi) credit/asset impairment losses and gains and losses on disposal of equity interests; (vii) changes in fair value of other assets; and (viii) changes in fair value and expenses related to restructuring of convertible bonds.

Revenue

For the year ended 31 August 2025, revenue of the Group reached RMB3,960.34 million, representing an increase of RMB228.27 million or 6.12% from RMB3,732.07 million for the corresponding period of last year. Such increase was mainly due to the upward adjustment of tuition fees for students enrolled at domestic and overseas institutions.

Cost of Sales

For the year ended 31 August 2025, cost of sales of the Group was RMB2,292.54 million, representing an increase of RMB134.04 million or 6.21% from RMB2,158.50 million for the corresponding period of last year. Such increase was mainly due to (i) enhancement of teaching quality, recruitment of additional teachers and increase in remuneration of faculty members; and (ii) increased investment in practical training and increase in depreciation and amortisation of school premises and practical training facilities transferred to fixed assets.

Gross Profit

For the year ended 31 August 2025, gross profit of the Group amounted to RMB1,667.80 million, representing an increase of RMB94.23 million or 5.99% from RMB1,573.57 million for the year ended 31 August 2024.

Selling Expenses

For the year ended 31 August 2025, selling expenses of the Group amounted to RMB327.35 million, representing an increase of RMB85.50 million or 35.35% from RMB241.85 million for the year ended 31 August 2024. Such increase was mainly due to the expansion of student recruitment channels and the resultant growth in student enrollment size.

Administrative Expenses

For the year ended 31 August 2025, administrative expenses of the Group amounted to RMB613.90 million, representing an increase of RMB13.35 million or 2.22% from RMB600.55 million for the year ended 31 August 2024. Such increase was mainly due to (i) the increase in remuneration of school administrators; and (ii) the increase in professional service fees.

Finance Costs

For the year ended 31 August 2025, finance costs of the Group amounted to RMB225.68 million, representing a decrease of RMB63.73 million or 22.02% from RMB289.41 million for the year ended 31 August 2024. This was mainly due to the reduction in the size of the Group's loans and the optimisation of its loan structure.

Impairment on financial assets and non-financial assets

For the year ended 31 August 2025, impairment on financial assets and non-financial assets of the Group amounted to RMB654.63 million, representing an increase of RMB536.59 million from RMB118.04 million for the year ended 31 August 2024. Such increase was mainly due to the comprehensive and stringent asset portfolio impairment test conducted on the goodwill arising from the Company's historical acquisitions of schools during the current period, leading to a goodwill impairment provision based on the principle of prudence.

Profits for the Reporting Period

For the year ended 31 August 2025, the Group recorded net profit of RMB386.68 million, a decrease of RMB226.41 million or 36.93% compared with that of RMB613.09 million for the year ended 31 August 2024.

Capital Commitments

The Group's capital commitments were primarily related to the acquisition of property, plant and equipment. The following table sets forth a summary of our capital commitments as at the dates indicated:

Items	As at 31 August 2025 (in millions of RMB)	As at 31 August 2024 (in millions of RMB)
Contracted, but not provided for:		
Property, plant and equipment	**511.43**	600.24
Prepaid land lease payments	**37.73**	37.73
Acquisition of equity interests	**—**	66.78
Total	**549.16**	704.75

Liquidity, Financial Resources

As at 31 August 2025, the Group had total cash and bank balances of RMB3,291.59 million (31 August 2024: RMB3,100.75 million), among which: (i) cash and cash equivalents amounted to RMB2,647.54 million (31 August 2024: RMB2,549.30 million); (ii) time deposits amounted to RMB185.91 million (31 August 2024: Nil); and (iii) pledged and restricted deposits amounted to RMB458.14 million (31 August 2024: RMB551.45 million).

Indebtedness

Bank Loans and Other Borrowings

The Group's bank loans and other borrowings primarily consist of short-term loans for working capital and long-term loans for construction of school buildings and facilities and other projects. The Group supplements its working capital and finances its expenditure primarily through borrowings obtained from banks. As at 31 August 2025, the aggregate loan balance amounted to RMB2,824.64 million (31 August 2024: RMB3,237.36 million), with most of the loans denominated in RMB. As at 31 August 2025, the Group's bank loans and other borrowings bore an effective average interest rate of 5.72% per annum (31 August 2024: 7.19% per annum).

The Group's objective is to maintain a balance between the continuity and flexibility in the supply of funds through the use of cash flows generated within our Group's operations and other borrowings. The Group regularly reviews major funding positions to ensure adequate financial resources to meet its financial obligations.

Current Ratio

As at 31 August 2025, current assets of the Group amounted to RMB6,090.77 million, consisting of bank balance, time deposits and pledged and restricted deposits of RMB3,291.59 million, assets classified as held for sale of RMB1,624.10 million, prepayments, deposits and other receivables of RMB979.69 million, trade receivables of RMB99.62 million, contract cost assets of RMB66.82 million, inventories of RMB22.00 million and amounts due from related parties of RMB6.95 million. Current liabilities of the Group amounted to RMB8,781.72 million, including other payables and accruals of RMB3,141.57 million, contract liabilities of RMB2,093.24 million, interest-bearing bank and other borrowings of RMB1,389.20 million, convertible bonds of RMB1,174.12 million, liabilities directly associated with the assets classified as held for sale of RMB598.61 million and other current liabilities of RMB384.98 million. As at 31 August 2025, current ratio (current assets divided by current liabilities) of the Group was 0.69 (31 August 2024: 0.43).

Contingent Liabilities

As at 31 August 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

Net Debt to Equity Ratio

Net debt to equity ratio equalled total interest-bearing bank and other borrowings of RMB2,824.64 million, net of cash and cash equivalents of RMB2,647.54 million, time deposits of RMB185.91 million, and pledged and restricted deposits of RMB458.14 million as at the end of the Reporting Period divided by total equity of RMB9,582.14 million as at the end of the Reporting Period. The Group's net debt to equity ratio decreased to −4.9% as at 31 August 2025 as compared with 1.5% as at 31 August 2024, which was mainly due to the Group's cash and cash equivalents, time deposits, and pledged and restricted deposits held at the end of the period exceeding its interest-bearing bank and other borrowings.

Debt to Equity Ratio

As at 31 August 2025, debt to equity ratio of the Group (calculated by dividing total interest-bearing bank and other borrowings by total equity) was approximately 29.5% (31 August 2024: 35.4%).

Foreign Currency Risk and Management

The majority of the Group's revenue and expenditures are denominated in Renminbi, the functional currency of the Company. As at 31 August 2025, certain bank balances and cash were denominated in United States dollar, Thai Baht, Malaysian ringgit and Hungarian Forint. The Group has not entered into any financial arrangements for hedging purpose as it is expected that there will be no material foreign exchange exposure.

Charge on Group Assets

As at 31 August 2025, certain of the Group's property, plant and equipment, deposits, equity interests in certain subsidiaries were pledged to secure the bank loans and other borrowings from third parties granted to the Group. For details, please refer to Note 25 and Note 27 to the consolidated financial statements.

Save for the charges disclosed above and in the consolidated financial statements, the Group did not have any other charges on its assets.

Significant Investments, Material Acquisitions and Disposals and Future Plans in relation to Material Investments or Capital Assets

Save as disclosed in this report, the Group did not have other significant investments, material acquisitions and disposals or any future plans in relation to material investments or capital assets. Save as disclosed in this report, each of the investments held by us as a percentage of the Group's total assets as at 31 August 2025 did not amount to 5% or more.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this report, during the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries.

OTHER EVENTS

Events after the Reporting Period

1. On 23 September 2025, based on the acceptance results of the rights issue and the placing results of the unsubscribed arrangements, the rights shares (including the unsubscribed rights shares) to be allotted and issued amounted to 444,792,885 rights shares. The net proceeds (after deducting all relevant expenses) from the rights issue were approximately HK$87.4 million. For details, please refer to the prospectus dated 21 August 2025 and the announcement dated 23 September 2025 of the Company.

2. On 25 September 2025, the Company restructured and early redeemed the convertible bonds in accordance with the terms and conditions agreed with the holders of the convertible bonds. The Company has redeemed all outstanding convertible bonds at the settlement amount of US$162,668,300 as set out in the terms and conditions of the convertible bonds. The Company has also allocated and issued a total of 4,168,549 ordinary shares in accordance with a conversion notice received by the Company on 18 September 2025 related to the convertible bonds with a principal amount of US$2,070,000. For details, please refer to the announcement of the Company dated 25 September 2025.

3. On 14 November 2025, an extraordinary general meeting was held by the Company to approve, among others, (i) the entering into the equity transfer agreement dated 29 November 2024 (as supplemented by the supplemental agreement with regards to the equity transfer agreement entered into on 24 October 2025) and the transactions contemplated thereunder; and (ii) the entering into the equity transfer agreement dated 26 August 2025 and the transactions contemplated thereunder. For details, please refer to the announcement dated 14 November 2025 and the circular dated 24 October 2025 of the Company.

4. On 16 November 2025, Sichuan Shurui Enterprise Management Service Co., Ltd. * (四川署瑞企業管理服務有限公司) entered into an equity transfer agreement with Xi'an Dianzhen Industrial Co., Ltd. * (西安典振實業有限公司) to dispose of its entire interest in Xi'an Beinuosi Education Management Co., Ltd.* (西安倍諾思教育管理有限公司), which holds a 70.03% sponsor right of Shaanxi University, at a consideration of RMB10,000,000. For details, please refer to the announcements dated 17 November 2025 and 19 November 2025 of the Company.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to be a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operation activities of the Company. The Company believes that effective corporate governance is the foundation to create more value for the Shareholders. In order to optimize return for Shareholders, the Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board.

For the year ended 31 August 2025, the Company has complied with all the code provisions set out in Part 2 of the Corporate Governance Code and satisfied substantially all of the recommended best practices requirements as set out in Part 2 of the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

For the year ended 31 August 2025, the Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry on all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by the Directors during the year ended 31 August 2025.

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

On 26 May 2025, the Company announced that, as of the date, it has repurchased US$78,700,000 in aggregate principal amount of the convertible bonds (representing approximately 22.49% of the convertible bonds originally issued) in accordance with the terms of the convertible bonds, at a total cash consideration of approximately US$47,490,250 (representing approximately 60.34% of the par value of the convertible bonds). Following settlement, the principal amount of the convertible bonds outstanding was US$271,300,000. For details, please refer to the announcement of the Company dated 26 May 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Reporting Period. The Company holds no treasury shares as of the end of the Reporting Period.

PAYMENT OF FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 August 2025 due to funding arrangements.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to auditing, internal control and financial reporting. The audit committee of the Company has reviewed the Group's annual results and consolidated financial statements for the year ended 31 August 2025.

Our Board of Directors comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. Our Directors are elected to serve a term of three years, which is renewable upon re-election.

The following table sets out key information in respect of the Directors of our Company:

Name	Age	Date of Joining the Group	Position	Date of Appointment	Responsibility
Wang Huiwu (汪輝武)	52	5 January 2005	Executive Director Chief Executive Officer President	13 March 2017 2 February 2018 2 February 2018	Responsible for implementing Board resolutions as well as overall strategic planning and operational management of the Group
Deng Yi (鄧怡)	41	27 September 2024	Executive Director	27 September 2024	Responsible for business development of the Group
Wang Xiu (汪秀)	33	1 March 2018	Executive Director	29 November 2024	Responsible for business development of the Group
Xu Changjun (徐昌俊)	68	18 April 2012	Non-executive Director	13 March 2017	Responsible for monitoring overall management and strategic planning of the Group
Wang Xiaowu (汪曉武)	27	1 February 2021	Non-executive Director	23 January 2025	Responsible for monitoring overall management and strategic planning of the Group
Zhang Bing (張兵)	55	5 January 2024	Non-executive Director and Chairman	5 January 2024	Responsible for monitoring overall management and strategic planning of the Group as well as overseeing the affairs of the Board
Zhang Jin (張進)	67	14 July 2018	Independent Non-executive Director	14 July 2018	Responsible for monitoring the Group and providing independent advice
Liu Zhonghui (劉仲輝)	67	1 January 2023	Independent Non-executive Director	1 January 2023	Responsible for monitoring the Group and providing independent advice
Xiang Chuan (向川)	67	1 January 2023	Independent Non-executive Director	1 January 2023	Responsible for monitoring the Group and providing independent advice

The following table sets out key information in respect of the senior management of our Company:

Name	Age	Date of First Joining the Group	Position	Date of Appointment	Roles and Responsibilities
Wang Huiwu (汪輝武)	52	5 January 2005	Chief Executive Officer President	2 February 2018 2 February 2018	Responsible for implementing Board resolutions as well as overall strategic planning and operational management of the Group
Jiang Lin (蔣林)	58	18 February 2016	Chief Operating Officer Executive Vice President	2 February 2018 2 February 2018	Responsible for overseeing the day-to-day operations of the Group
Lou Qunwei (婁群偉)	56	12 January 2005	Senior Vice President	2 February 2018	Responsible for the teaching and management of students
Tan Li (譚澧)	43	23 January 2025	Chief Investment Officer Director of Capital Market	23 January 2025	Responsible for managing the current investment and financing portfolio of the Group, optimising the capital structure of the Group, participating in the work of material capital operation of the Group, and performing risk management and financial assessment. At the same time, he will be responsible for executing investment strategy of the Group and advising the Group on potential investment projects
Yang Wen (楊文)	42	4 December 2024	Chief Financial Officer	23 January 2025	Responsible for finance management of the Group

Directors

Wang Huiwu (汪輝武), aged 52, is an executive Director, the chief executive officer and the president. Mr. Wang has been appointed as an executive Director of the Company since 13 March 2017 and chief executive officer and president of the Company since 2 February 2018.

Mr. Wang served as a director and the president of Sichuan Hope Education since October 2007; a director of Ziyang Maysunshine Education Investment Limited since November 2012; and the chairman of the council of Sichuan Hope Automotive Technical College since January 2017.

Mr. Wang served as the principal and managing director of Chengdu Mayflower Computer Science Professional College (成都五月花計算機專業學校) from March 1999 to September 2007; and a supervisor of Sichuan Hope Education from January 2005 to October 2007.

Mr. Wang graduated from Sichuan Normal University with a bachelor's degree in education in June 2013; obtained a master's degree from Vitebsk State University, Belarus in teaching and educational theory and methodology in November 2022.

Deng Yi (鄧怡), aged 41, is an executive Director. Mr. Deng has been appointed as an executive Director of the Company since 27 September 2024.

Mr. Deng worked as an auditor of KPMG Huazhen Certified Public Accountants LLP from September 2006 to December 2008. Mr. Deng has also successively served in Honghua Group (stock code: 0196) as the manager of the audit department, the financial manager of Dubai Honghua Golden Coast Equipment Limited* (迪拜宏華金海岸設備有限公司), the finance director of Hong Kong Honghua Oil & Gas Engineering Services Company Limited* (香港宏華油氣工程服務有限公司) and the finance director of the oil and gas engineering division of the Honghua Group from December 2008 to March 2017. He has served as the executive director of Guanghe Kunji Business Operation Management Co., Ltd.* (光合鯤驥商業運營管理公司) since 2020. He has served as the chairman of Hainan Hope Huawu Investment Co. Ltd* (海南希望花舞投資有限公司) since 2023. He served as a director of Dingli Corp., Ltd (300050.SZ) from November 2024 to 26 April 2025.

Mr. Deng graduated from Shanghai International Studies University (上海外國語大學) International Economic Law School with a bachelor's degree in law in June 2006.

Wang Xiu (汪秀), aged 33, is an executive Director. Ms. Wang has been appointed as an executive Director of the Company since 29 November 2024.

Ms. Wang served as an assistant to the chief of student finance office of Mayflower Technician College (四川五月花技師學院) from March 2018 to October 2018 and the international project manager at Sichuan TOP IT Vocational Institute (四川托普信息技術職業學院). Ms. Wang served as Sichuan Hope Education Industry Group Limited (四川希望教育產業集團有限公司) as the head of the development department from July 2020 up to now.

Ms. Wang received her bachelor's degree in Economics and Management from Sichuan University (四川大學) in June 2021.

Xu Changjun (徐昌俊), aged 68, is a non-executive Director. Mr. Xu has been redesignated as a non-executive Director of the Company since 27 September 2024. Mr. Xu has served as chairman of the Company from 2 February 2018 to 18 February 2022 and has been appointed as an executive Director of the Company from 13 March 2017 to 27 September 2024. Mr. Xu has been a director of Sichuan Hope Education since April 2012, the chairman of Sichuan Hope Education from September 2016 to June 2022.

Mr. Xu was the chief auditor and director of financial supplies of Xihua University (formerly known as Chengdu Normal College (成都師範高等專科學校)) from 1989 to 1997, during which he was also the vice president of Sichuan Accounting Association of Colleges (四川省高校會計學會). From March 1997 to June 2010, he served as the director of the finance department, the supervision and audit department and the investment department of East Hope Group Co., Limited. The main businesses of East Hope Group are agriculture and heavy chemical industry; heavy chemical industry involves power, non-ferrous metals, bio-chemicals, coal chemical, chlor-alkali chemical, petrochemical, mining and building materials.

Mr. Xu received his master's education in statistics at Southwestern University of Finance and Economics in June 1989 and was qualified as a certified accountant in June 2000. He was selected as "Outstanding CFO in China" by Xin Li Cai Magazine (《新理財》) in April 2009 and was chosen to be featured on the cover page of CFO World in April 2010.

Wang Xiaowu (汪曉武), aged 27, is a non-executive Director. Mr. Wang has been appointed as a non- executive Director of the Company since 23 January 2025.

Mr. Wang has been appointed as the head of overseas school projects department of Sichuan Hope Education Industry Group Limited (四川希望教育產業集團有限公司) since September 2023, and is fully responsible for inter-school cooperation and school-enterprise cooperation for overseas schools. He served as the head of overseas school department of INTI International University in Malaysia from February 2021 to February 2022, and was mainly responsible for inter-school cooperation and school-enterprise cooperation for all schools of INTI University in Australia.

Mr. Wang received his bachelor's degree in commerce from the Australian National University in November 2022, and received his master's degree in commerce from the University of New South Wales in August 2023.

Zhang Bing (張兵), aged 55, is a non-executive Director and the chairman. Mr. Zhang has been appointed as a non-executive Director and the chairman of the Company since 5 January 2024.

Mr. Zhang has served as the executive director of Sichuan Meihao Jiayuan Trade Co., Ltd. (四川美好家園商貿有限公司) since 23 April 2004; a director and general manager at Wuzhishan Huawurenjian Tourism Investment Co., Ltd. (五指山花舞人間旅遊投資有限公司) since 2 September 2011; the manager of Sichuan Meihao Jiayuan Investment Development Co., Ltd. (四川美好家園投資發展有限公司) since 28 March 2012; the general manager of Sichuan Meihao Jiayuan Investment Co., Ltd. (四川美好家園投資有限公司), a subsidiary of Chengdu West Hope Group Limited (成都華西希望集團有限公司), since 28 March 2012, and has been promoted as the vice president of Chengdu West Hope Group Limited (成都華西希望集團有限公司) since 28 June 2012; a supervisor of Panzhihua Huawurenjian Tourist Attractions Development Co., Ltd. (攀枝花花舞人間旅遊景區開發有限公司) since 3 December 2014; a director and manager of Baotou Hope Huawu Renjian Ecological Agricultural Park Co., Ltd. (包頭市希望花舞人間生態農業園有限公司) since 4 May 2016; a director of Chengdu Tequ Jenny Trade Co., Ltd. (成都特驅珍妮商貿有限公司) since 18 August 2016; the chairman of the board of Sichuan Hope Huawu Agricultural Tourism Development Co., Ltd. (四川希望花舞農業旅遊開發有限公司) since 15 December 2016; a manager at Sichuan Desheng Ronghe Industrial Group Co., Ltd. (四川德盛榮和實業集團有限公司) since 8 June 2017; a director of Panzhihua Huawurenjian Industry Co., Ltd. (攀枝花花舞人間實業有限公司) since 17 April 2018; the executive director of Guangan Meihao Jiayuan Supermarket Chain Co., Ltd. (廣安美好家園連鎖超市有限公司) since 31 May 2018; the chairman of the board of Chengdu Huizong Landscaping Engineering Co., Ltd. (成都慧宗園林綠化工程有限公司) since 26 March 2019; the chairman of the board of Chengdu Hope Huawu Cultural Tourism Industry Group Co., Ltd. (成都希望花舞文化旅遊產業集團有限公司) since 29 April 2019; a director of Sichuan Hope Walnut Industrial Development Co., Ltd. (四川希望沃野實業發展有限公司) since 8 October 2019; an executive director and manager of Sichuan Hope Huawu Industrial Development Group Co., Ltd. (四川希望花舞實業發展集團有限公司) since 12 November 2019; a director of Dazhou Tequ Datai Real Estate Development Co., Ltd. (達州特驅達泰房地產開發有限責任公司) since 29 March 2021; the general manager of Sichuan Tequ Investment Group Limited (四川特驅投資集團有限公司), one of the controlling shareholders of the Company, since 21 June 2022; a director of Sichuan Special Drive Agricultural and Animal Husbandry Technology Group Co., Ltd. (四川特驅農牧科技集團有限公司) since 13 July 2022; the vice chairman of the board of Hainan Hope Huawu Investment Co., Ltd. (海南希望花舞投資有限公司) since 19 July 2023; and a director of Chengdu Jinchengxiang Investment Co., Ltd. (成都錦城祥投資有限公司) since 9 November 2023.

Mr. Zhang obtained a master's degree in economics from Cheung Kong Graduate School of Business in July 2013.

Zhang Jin (張進), aged 67, is an independent non-executive Director. Mr. Zhang has been appointed as an independent non-executive Director of the Company since 14 July 2018.

Mr. Zhang is a chief senior accountant. He worked at the Family Planning Commission of Sichuan Province till April 1998, being responsible for financial operation. He served as the finance minister of West China Hospital of Sichuan University (四川大學華西醫院) from June 1998 to April 2011, and the chief accountant of West China Second Hospital of Sichuan University from March 2015 to August 2019. Mr. Zhang has served as a senior accountant review expert of Sichuan Province since February 2003; a review expert in government procurement bidding of the Ministry of Finance since January 2013; currently the vice chairman of the Health Accounting Branch of China Health Economics Association since December 2015 and served as a hospital management consulting and training expert in PRC. Currently, he has served as the vice president of the Health Accounting Branch of the China Association of Chief Accountants since October 2018. He has served as an internal control consulting expert in Sichuan Province since June 2017; and he served as a senior accountant reviewer in Sichuan Province from June 2018 to December 2023.

Mr. Zhang obtained a master's degree in economics from Southwestern University of Finance and Economics (西南財經大學) in June 1990.

Liu Zhonghui (劉仲輝), aged 67, is an independent non-executive Director. Mr. Liu has been appointed as an independent non-executive Director of the Company since 1 January 2023.

Mr. Liu has extensive experience in teaching. He has been the head of the language teaching and research team and deputy director of the academic affairs office of Jianyang Normal College (簡陽師範學校), deputy head of the joint language teaching and research team of the Neijiang Normal system (內江市師範系統), deputy director of the general office of the Ziyang municipal commission, deputy secretary general of the municipal commission, director of the party research office of the municipal commission, director of the political research office of the municipal commission and the secretary of party committee and the head of the education bureau of Ziyang City and has retired since 2018.

Mr. Liu graduated from Neijiang Normal University (內江師範學院) with major in Chinese language in April 1980.

Xiang Chuan (向川), aged 67, is an independent non-executive Director. Mr. Xiang has been appointed as an independent non-executive Director of the Company since 1 January 2023.

Mr. Xiang served as the deputy head of factory operation of Lixin Iron Factory of Da County of Sichuan Province (四川達縣立新鐵廠); the head of Qinjiaba Iron Factory of Da County (達縣覃家壩鐵廠), the deputy division head of the general office of the people's government of Da County, the deputy director of the planning commission of Da County, the director of economic coordination commission of Da County, the chairman of the board of directors of Haikou Xinda Industrial and Trading Company (海口鑫達工貿公司), a director and the secretary to the board of directors of Tongwei Co., Ltd. (通威股份) (a company listed on Shanghai Stock Exchange, stock code: 600438); the chairman of the board of directors of Henan Tongwei (河南通威), the vice president and the secretary to the board of directors of New Hope Agriculture (新希望農業股份) (a company listed on Shenzhen Stock Exchange, stock code: 000876) and an independent director of Xi'an Triangle Defense (西安三角防務) (a company listed on Shenzhen Stock Exchange, stock code: 300775). Currently, he is an independent director of Tianqi Lithium (天齊鋰業) (a company listed on Shenzhen Stock Exchange and Hong Kong Stock Exchange, stock code: 002466 and 09696, respectively) and Shanghai Menon Animal (上海美農生物) (a company listed on Shenzhen Stock Exchange, stock code: 301156), and a legal representative of Chengdu Shucai Business (成都蜀采商務). He has been awarded various honours, including but not limited to the Golden-plated Secretary to the Board (金牌董秘) and the Advanced (Excellent) Staff, and he is a member of the New Fortune Hall of Fame of Golden-plated Secretaries to the Board (新財富金牌董秘名人堂).

Mr. Xiang obtained a master's degree in business and economics from the Graduate School of Chinese Academy of Social Sciences (中國社科院) in July 1998.

Senior Management

Wang Huiwu (汪輝武), aged 52, is the chief executive officer and the president. For the biography of Mr. Wang, see "— Directors".

Jiang Lin (蔣林), aged 58, is the chief operating officer and the executive vice president. Mr. Jiang has been appointed as the chief operating officer and the executive vice president since 2 February 2018. Mr. Jiang has served as an executive vice president of Sichuan Hope Education since February 2016.

Mr. Jiang served as a technician at Hunan Chenxi Posts and Telecommunication Bureau from July 1981 to December 1983; secretary at Hunan Chenxi Posts and Telecommunication Bureau from December 1983 to March 1993; general secretary at Hunan Posts and Telecommunication Bureau Administration Office from July 1987 to March 1993; assistant and deputy director at Hunan Posts and Telecommunication Bureau Administration Office from March 1993 to April 1995. He worked at the General Research Office of Posts and Telecommunication Bureau from April 1995 to October 1995; served as deputy director at News Department of Posts and Telecommunication Bureau from October 1995 to December 1996; deputy director at Secretary office at Posts and Telecommunication Bureau from December 1996 to October 1997, responsible for overseeing the general operation. He served as the deputy director and special secretary at Secretary office at Posts and Telecommunication Bureau from October 1997 to March 1998; special secretary at Information and Industry Bureau from March 1998 to August 1998; manager and assistant to office director at the People's Posts and Telecommunications News Agency of the Ministry of Information Industry from August 1998 to December 2001; deputy director at the People's Posts and Telecommunications News Agency of the Ministry of Information Industry from December 2001 to July 2007. Mr. Jiang served as a committee member of the Standing Committee and deputy mayor of Sichuan Ziyang Municipal Committee from July 2007 to September 2012 and a committee member of the Standing Committee of Sichuan Ziyang Municipal Committee from September 2012 to January 2016. Mr. Jiang has rich experience in the education, health, business, investment advancement and modern service industries as well as in administrative management and education management.

Mr. Jiang obtained his secondary school diploma in integrated telecommunications at Hunan Posts and Telecommunications School (湖南省郵電學校) in July 1981, his junior college diploma in Party and government administration from Hunan Radio and Television University (湖南省廣播電視大學) in July 1987 and his bachelor's degree in economics and management from the Party School of the Central Committee of the Communist Party of China (中共中央黨校) from August 2002 to December 2004. Mr. Jiang studied business management at Graduate School of Chinese Academy of Social Science (中國社會科學院) from April 1994 to April 1996 and received his senior economist qualification from the Personnel department of the Ministry of Posts and Telecommunications of the People's Republic of China in September 1998.

Lou Qunwei (婁群偉), aged 56, is the senior vice president. Ms. Lou has been appointed as the senior vice president of the Company since 2 February 2018. Ms. Lou has served as a supervisor of Shanghai Shurui Investment Consultant Limited since September 2011; a director of Sichuan Yonghe Education Investment Limited from April 2014; the senior vice president of Sichuan Hope Education since October 2014; a council member of Sichuan Hope Automotive Technical College since January 2017; a director of Sichuan Guojian Investment Limited since May 2017; and the chairman of Southwest Jiaotong University Hope College since March 2018.

Ms. Lou served as assistant to the principal of Chengdu Jinjiang Cuisine School (now known as Chengdu New East Cuisine School) from November 2001 to August 2004; the head of office and external liaison officer of Chengdu Mayflower Computer Science Professional College from September 2004 to September 2007; the head of the human resources department, a manager of the administration department, an officer of the external liaison department and an assistant to the president of Sichuan Hope Education from January 2005 to October 2014; and a director of Sichuan Yonghe Education Investment Limited from April 2014 to April 2017.

Ms. Lou received her junior college diploma education in economics and management at Xichang College (西昌學院) in July 1991 and a bachelor's degree in administrative management from China Central Radio and Television University (中央廣播電視大學) (now known as The Open University of China (國家開放大學)) in July 2010.

Yang Wen (楊文), aged 42, is the chief financial officer. Mr. Yang served as the chief investment officer of the Company from 4 December 2024 to 23 January 2025, and has been appointed as the chief financial officer of the Company since from 23 January 2025.

From August 2006 to November 2008, Mr. Yang served as an auditor in the audit department of KPMG Huazhen LLP in Beijing and an assistant audit manager in the audit department of KPMG Advisory (China) Limited, Chengdu branch. From January 2009 to July 2009, Mr. Yang served as a manager of internal audit department of Sime Darby Berhad in greater China. From August 2009 to December 2016, Mr. Yang worked at Honghua Group Co., Ltd. (宏華集團有限公司) (Stock Code: 0196), a company listed on the Stock Exchange of Hong Kong Limited, where he served on various positions such as the assistant to the chief financial officer of the group and the group senior finance manager. From January 2017 to December 2020, Mr. Yang served as a chief financial officer of the proposed listing segment of USUNHOME Group Co., Ltd.* (域上和美集團有限公司). From April 2021 to November 2024, He served as an executive director, chief financial officer as well as the deputy head of the financial management center in Desun Real Estate Investment Services Group Co., Ltd. (Stock Code: 2270), a company listed on the Stock Exchange of Hong Kong Limited, and was responsible for the overall financial matters of the company.

Mr. Yang obtained his bachelor's degree in accounting management and minor in transportation and logistics economics from the University of International Business and Economics. Mr. Yang is a certified public accountant and holds the qualification certificate for serving as the secretary to the board of directors issued by the Shenzhen Stock Exchange.

Joint Company Secretaries

Mr. Tan Li (譚澧), aged 43, has been appointed as the joint company secretary of the Company on 13 February 2025.

Mr. Tan joined the Group in January 2025 as the chief investment officer and the director of capital market, and his daily responsibilities and duties include but not limited to the corporate governance matters, information disclosure, day-to-day operation and monitoring and review of the internal control system of the Group.

Mr. Tan served as the head of finance in Stem Cell Technology Company Limited* (幹細胞技術有限公司) from September 2018 to December 2024, the vice president of finance in Sichuan Xingguangyuan Film and Television Culture Broadcasting Company Limited* (四川星光源影視文化傳播有限公司) from June 2017 to July 2018, the person-in-charge for finance in China area of Source Photonics Company Limited* (索爾思光電有限公司) from October 2010 to June 2017, a vice director of the internal audit and risk control department of Honghua Group Limited, a company listed on the Stock Exchange (stock code: 00196), from December 2008 to October 2010, and an assistant manager of the audit department and the assurance affairs department of Chengdu branch of KPMG Advisory (China) Limited from October 2006 to December 2008. From August 2004 to October 2006, he successively served as an auditor and a senior auditor of the audit and assurance affairs department of PricewaterhouseCoopers ZhongTian LLP.

Mr. Tan graduated from Southwestern University of Finance and Economics (西南財經大學) in July 2004 with a bachelor's degree in economics (insurance) and a bachelor's degree in finance (finance). He has been certified as a certified public accountant in Canada and a certified public accountant in Australia.

Ms. Chan Yin Wah (陳燕華) has been appointed as the joint company secretary of the Company since 28 February 2022. For the biographical details of Ms. Chan, please refer to the announcement of the Company dated 28 February 2022.

REPORT OF DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group focuses on providing higher education services. Details of the activities of its principal subsidiaries and consolidated affiliated entities are set out in Note 1 to the consolidated financial statements.

RESULTS AND BUSINESS REVIEW

The results of the Group for the year ended 31 August 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 120 to 121 of this report.

A fair review of the business of the Group during the year and its future development and outlook, important events affecting the Company that have occurred during the year ended 31 August 2025, an analysis of the Group's performance during the year using financial key performance indicators, and the Company's environment policy and performance as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "ESG Report" of this annual report, which also constitute part of this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has complied with the requirements under the Companies Ordinance, the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance. The Group has also adopted the Model Code.

The Group and its activities are required to comply with the requirements of laws and regulations of China, including but not limited to the Foreign Investment Industries Guidance Catalogue (2017 version) (《外商投資產業指導目錄》(2017年修訂)), the Education Law of the People's Republic of China (《中華人民共和國教育法》), the Law for Promoting Private Education (《民辦教育促進法》), the Implementation Rules for the Law for Promoting Private Education (《民辦教育促進法實施條例》), the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) and other normative documents.

For the year ended 31 August 2025, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

EMPLOYEES AND REMUNERATION POLICIES

The Group has achieved the diversity of all employees (including senior management) in terms of their gender, age, cultural and educational background, professional experience, skills and knowledge. As at 31 August 2025, the Group had approximately 13,500 faculty members, in which 34% were male and 66% were female, and gender diversity was achieved for all of our employees. For details of the gender and age distribution and loss rate of employees, see the "ESG Report" of this annual report. For the year ended 31 August 2025, total staff costs amounted to approximately RMB1,646.1 million (31 August 2024: approximately RMB1,573.7 million). Remuneration (including employees' benefits) is maintained within the market level and reviewed on a periodic basis. Employees' salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers are primarily our students. For the year ended 31 August 2025, the percentage of sales attributable to the Group's five largest customers combined was less than 3% of the annual total sales.

Our suppliers primarily comprise book suppliers, teaching equipment vendors, equipment and materials vendors and universities which we have entered into a cooperation agreement. For the year ended 31 August 2025, the percentage of purchases attributable to the Group's five largest suppliers combined was less than 35.10% of the annual total purchases. Bao Ta Petrochemical Group Co., Ltd. ("**Bao Ta Group**"), the Group's largest supplier, accounted for 22.64% of the annual total purchases.

Except Bao Ta Group as mentioned above, at no time during the Reporting Period did a Director, a close associate of a Director or a Shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the number of issued shares (excluding treasury shares) of the Company) have an interest in any of the Group's five largest suppliers.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands the importance of maintaining a good relationship with its employees, suppliers and customers to meet its immediate and long-term goals. The Group maintains a good relationship with employees, suppliers and customers. During the year ended 31 August 2025, there was no material and significant dispute between the Group and its employees, suppliers and/or customers.

PRINCIPAL RISKS AND UNCERTAINTIES

Save as disclosed in the section headed "Risks in relation to the Arrangements and Actions Taken to Reduce Risks" in this report, the following list is a summary of certain principal risks and uncertainties facing the Group:

- Our business and results of operations depend on the level of tuition and boarding fees we charged and our ability to maintain and raise tuition and boarding fee levels.
- The private higher education business is relatively new and may not gain wide acceptance in China.
- We face intense competition in China's higher education industry, which could lead to adverse pricing pressure, resulting in lower operating margins, loss of market share, departures of qualified employees and increased capital expenditure.
- We may not be able to execute our growth strategies successfully or effectively manage our future growth, which may hinder our ability to capitalize on new business opportunities.
- We may not be able to successfully integrate businesses that we acquire, which may cause us to lose the anticipated benefits from such acquisitions and to incur significant additional expenses.
- We are subject to uncertainties brought by the Amendment of the Law for Promoting Private Education of the People's Republic of China (《中華人民共和國民辦教育促進法修正案》) and the Implementation Rules for the Law for Promoting Private Education of the People's Republic of China (《中華人民共和國民辦教育促進法實施條例》).
- We may not be able to register the independent colleges as for-profit private schools or complete relevant procedures or obtain the government registrations under the current form of the MOE Draft for Comments.

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.

The Company has implemented various measures to mitigate these risks and uncertainties. Further reviews are set out in the section headed "Corporate Governance Report — Risk Management and Internal Controls" in this annual report.

DIVIDEND POLICY

Our Company has adopted a dividend policy on payment of dividends. Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors consider relevant (including all applicable PRC laws and regulations which our schools are required to comply with). Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Act. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. No dividend shall be declared or payable apart from our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board.

PAYMENT OF FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 August 2025 due to funding arrangements.

SHARE CAPITAL

Details of changes in the share capital of the Company during the year are set out in Note 30 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

INTERESTS IN LAND HELD FOR PROPERTY DEVELOPMENT

Among the interests in land held for property development, the carrying amount of an land parcel located on the east side of Tianfu Avenue, Meishan High Street, Sichuan Province, Mainland China, 100% interest of which was owned by the Group, amounted to approximately RMB304,000,000 as at 31 August 2025 (approximately RMB316,000,000 as at 31 August 2024). The land parcel covers an area of 83,757 square meters with a lease period until 10 June 2091. Save for such land parcel, the carrying amounts of other interests in land held for property development as at 31 August 2025 do not exceed 5% of any of the percentage ratios (as defined under Rule 14.04(9)).

Investment Properties

	Property location	Area/sq.m.	Existing use	Group's interest
1.	Yinxi Industrial Park, Baiyin District (白銀區銀西產業園)	237,656	The property is currently vacant	100%
2.	Yinxi Industrial Park, Baiyin District (白銀區銀西產業園)	62,350	The property is currently under construction	100%
3.	South of the vacant land in Baiyin District, west of Shanghai Road, north of Planning Zhiyi Road, and east of Planning Zhi'er Road (白銀城區空地以南、上海路以西，規劃支一路以北，規劃支二路以東)	66,716	The property is currently vacant	100%
4.	Xiliu Community, Fuxing Town, Zhong County, Chongqing City (重慶市忠縣復興鎮西流社區)	100,533	The property is currently vacant	100%
5.	The east side of Tianfu Avenue and the north side of Logistics Avenue, Shigao Street, Meishan High Street, Sichuan Province & the east side of Tianfu Avenue, Meishan High Street, Sichuan Province (四川省眉山市仁壽縣視高街道天府大道東側、物流大道北側 & 四川省眉山市仁壽縣視高街道天府大道東側)	83,757	The property is currently vacant	100%
6.	East side of Binhe East Road and north side of Shuncheng Road, Weixian County, Xingtai City, Hebei Province (河北省邢台市威縣濱河東路東側、順城路北側)	66,546	The property is currently vacant	100%

DISTRIBUTABLE RESERVES OF THE COMPANY

Movements in reserves of the Company during the year ended 31 August 2025 are set out in Note 32 to the consolidated financial statements.

Our reserves available for distribution to the Shareholders consist of share premium. Under the Companies Act of the Cayman Islands and subject to compliance with the Articles of Association, the share premium account may be applied by the Company for paying distributions or dividends to the Shareholders if immediately following the date on which the distribution or dividend is proposed to be paid, we will be able to pay off our debts as they fall due in the ordinary course of business. As at 31 August 2025, the Company's reserve available for distribution to Shareholders amounted to approximately RMB5,132 million.

DIRECTORS

The Directors during the year ended 31 August 2025 and up to the date of this annual report were:

Executive Directors

Mr. Wang Huiwu *(Chief Executive Officer)*
Mr. Deng Yi (appointed with effect from 27 September 2024)
Ms. Wang Xiu (appointed with effect from 29 November 2024)
Mr. Xu Changjun (redesignated from executive Director to non-executive Director with effect from 27 September 2024)
Ms. Lou Qunwei (resigned with effect from 29 November 2024)

Non-executive Directors

Mr. Zhang Bing *(Chairman)*
Mr. Xu Changjun (redesignated from executive Director to non-executive Director with effect from 27 September 2024)
Mr. Wang Xiaowu (appointed with effect from 23 January 2025)
Mr. Tang Jianyuan (resigned with effect from 27 September 2024)
Mr. Li Tao (resigned with effect from 23 January 2025)

Independent Non-executive Directors

Mr. Zhang Jin
Mr. Liu Zhonghui
Mr. Xiang Chuan

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company and is subject to re-election as and when required under the Articles of Association. The term of each of the service contracts shall end when the service contract is terminated in accordance with the terms and conditions of the service contract or by either party giving to the other party not less than one month's prior notice in writing.

Each of our independent non-executive Directors has entered into a letter of appointment with the Company and is subject to re-election as and when required under the Articles of Association. The letter of appointment may be terminated in accordance with the terms and conditions thereof or by either party giving to the other party not less than one month's prior notice in writing.

Save as aforesaid, no Director proposed for re-election at the annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

As at 31 August 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director(s) and chief executive(s) of the Company is taken or deemed to have under such provisions of the SFO), or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Position	Capacity/ Nature of Interest	Number of Shares Held	Long Position/ Short Position	Approximate Percentage of Shareholding in the Company as at 31 August 2025[4]
Wang Huiwu[1]	Executive Director and Chief Executive Officer	Founder of a discretionary trust who can influence how the trustee exercises his/her discretion	3,717,553,240	Long Position	
		Beneficial interest	81,162,586	Long Position	
		Interest in controlled corporation	89,609,414	Long Position	
			3,888,325,240		47.27%
Zhang Bing	Non-executive Director and Chairman	Beneficial interest	5,001,484[2]	Long Position	0.06%
Xu Changjun	Non-executive Director	Beneficial interest	5,000,000[3]	Long Position	0.06%

Notes:

1) As at 31 August 2025, Wang Huiwu (汪輝武) holds 100% interest in Maysunshine Trust Limited (Cantrust Far East Limited as trustee), Maysunshine Trust Limited holds 100% interest in Maysunshine Holdings Limited, Maysunshine Holdings Limited hold 94.946% interest in Maysunshine Limited, Maysunshine Limited hold 43.19% interest in Hope Education Investment Limited (希望教育投資有限公司), and Hope Education Investment Limited (希望教育投資有限公司) holds 45.20% interest in the Company. Accordingly, Wang Huiwu (汪輝武) is deemed as holding interest in the Company through Hope Education Investment Limited (希望教育投資有限公司).

2) The underlying Shares refer to the interests in share options granted to each of the relevant grantees under the 2018 Pre-IPO Share Option Scheme to subscribe for Shares.

3) These underlying Shares represent the interests in share options granted to each of the relevant grantees under the 2022 Share Option Scheme to subscribe for Shares.

4) As at 31 August 2025, the number of issued Shares was 8,224,974,706 Shares.

Save as disclosed above, as at 31 August 2025, none of the Directors and 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 any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the share options granted to the Directors under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme, at no time during the year was the Company, or its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporations.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

To the knowledge of any of Directors or chief executives of the Company, as at 31 August 2025, the persons (other than the Directors or chief executives of the Company) or entities having an interest or short positions in Shares and underlying Shares of the Company which are 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 under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity/ Nature of Interest	Number of Shares Held	Approximate Percentage of Shareholding in the Company as at 31 August 2025[2]
Maysunshine Holdings Limited[1]	Interest in controlled corporation	3,717,553,240(L)	
	Beneficial owner	89,609,414(L)	
		3,807,162,654	46.29%
Cantrust Far East Limited[1]	Trustee	3,807,162,654(L)	46.29%
Hope Education Investment Limited[1]	Beneficial owner	3,717,553,240(L)	45.20%
Maysunshine Limited[1]	Interest in controlled corporation	3,717,553,240(L)	45.20%
Tequ Group A Limited[1]	Interest in controlled corporation	3,717,553,240(L)	45.20%
Tequ Group (Hong Kong) Company Limited[1]	Interest in controlled corporation	3,717,553,240(L)	
	Beneficial interest	42,242,703(L)	
		3,759,795,943	45.71%
Shanghai Yi Zeng Management Co., Ltd. (上海乙增管理有限公司)[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%
Sichuan Tequ Investment Group Limited (四川特驅投資集團有限公司) ("**Sichuan Tequ Investment**")[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%
Chengdu West Hope Group Limited (成都華西希望集團有限公司) ("**West Hope**")[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%
Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司)[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%
Zhang Qiang (張強)[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%
Wang Degen (王德根)[1]	Interest of spouse	3,759,795,943(L)	45.71%
Chen Yuxin (陳育新)[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%
Zhao Guiqin (趙桂琴)[1]	Interest in controlled corporation	3,759,795,943(L)	45.71%

(L) Long position

Notes:

(1) Hope Education Investment Limited, a BVI company, is owned as to 43.19% by Maysunshine Limited, 38.30% by Tequ Group A Limited and 18.51% by Tequ Group Limited (特驅集團有限公司).

Maysunshine Limited is owned as to 94.946% by Maysunshine Holdings Limited, which is in turn 100% beneficially held by Wang Huiwu (汪輝武) Family Trust (Cantrust Far East Limited as trustee of the trust).

Thus, Maysunshine Limited, Tequ Group A Limited and Maysunshine Holdings Limited are deemed to be interested in 3,717,553,240 Shares of long position.

Tequ Group A Limited is a wholly-owned subsidiary of Tequ Group (Hong Kong) Company Limited. Tequ Group (Hong Kong) Company Limited is wholly owned by Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司). Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司) is wholly owned by Sichuan Tequ Investment, which is in turn owned as to 33% by West Hope, 40.09% by Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司) and 26.91% by Sichuan Desheng Ronghe Industrial Group Co., Ltd. (四川德盛榮和實業集團有限公司). West Hope is owned as to 60% by Chen Yuxin (陳育新) and 40% by Zhao Guiqin (趙桂琴). Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are spouses. Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司) is owned as to 52.20% by Zhang Qiang (張強). Wang Degen (王德根) and Zhang Qiang (張強) are spouses.

Thus, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司), Sichuan Tequ Investment, West Hope, Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司), Zhang Qiang (張強), Wang Degen (王德根), Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are deemed to be interested in 3,759,795,943 Shares of long position.

(2) As at 31 August 2025, the number of issued Shares was 8,224,974,706 Shares.

Save as disclosed above, as at 31 August 2025, the Directors and chief executives of the Company are not aware of any other person or corporation who has an interest or short positions in Shares or underlying Shares of the Company which are 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 under Section 336 of the SFO.

2018 PRE-IPO SHARE OPTION SCHEME

The Company adopted the 2018 Pre-IPO Share Option Scheme on 18 March 2018 for the purpose of incentivizing eligible participants for their contribution to the Group. The following is a summary of the principal terms of the 2018 Pre-IPO Share Option Scheme. The terms of the 2018 Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the 2018 Pre-IPO Share Option Scheme will not involve the grant of Pre-IPO Share Options by us to subscribe for Shares after we have become a listed issuer.

Purpose

The 2018 Pre-IPO Share Option Scheme is a share incentive scheme and is established to, among others, promote the success and enhance the value of the Company by linking the personal interests of the selected participants to those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders. The 2018 Pre-IPO Share Option Scheme will enable the Company to retain, motivate and reward the services of the selected participants, and to provide salary, remuneration and/or benefits.

Who may Join

The eligible participants under the 2018 Pre-IPO Share Option Scheme (the "**Participants**") are as follows:

(i) any director (including Executive Director, Non-executive Director and Independent Non-executive Director) of any member of the Group from time to time and any employee or officer of any member of the Group; and

(ii) any senior officer, advisor, consultant, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group;

whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

Maximum Number of Shares

The total number of Shares subject to the 2018 Pre-IPO Share Option Scheme and available for issue is 500,000,000 Shares, representing approximately 5.76% of the issued Shares (excluding treasury shares) as at the date of this annual report.

Maximum Entitlement of Each Participant

Under the 2018 Pre-IPO Share Option Scheme, the Board shall be entitled to make an offer to any participant subject to the Pre-IPO Share Options for the subscription of such number of Shares as the Board may determine. Any offer may be accepted by the grantees of the Pre-IPO Share Options (the "**Grantee(s)**") in respect of less than the number of Shares to which the offered option relates.

Vesting and Exercise Period

Except as provided otherwise and subject to the terms and conditions upon which such Pre-IPO Share Option was granted, the vesting period for any Pre-IPO Share Option granted to a Grantee under the 2018 Pre-IPO Share Option Scheme will be stated in the grant letter through which the offer is made.

The Pre-IPO Share Options are only exercisable upon the Listing of our Shares on the Hong Kong Stock Exchange. There is no performance target that needs to be achieved by the Grantee before the Pre-IPO Share Options can be exercised.

Amounts Payable for Application or Acceptance of Share Options

The Pre-IPO Share Option remains open for acceptance by the participant receiving an offer for a period of five days from the offer date, provided that no such offer shall be open for acceptance after the 2018 Pre-IPO Share Option Scheme has been terminated in accordance with the provisions thereof. HK$1.00 is required to be paid by the Grantees as consideration for the grant of the Pre-IPO Share Option.

Exercise Price

There are in total three tranches of Pre-IPO Share Options to be granted under the 2018 Pre-IPO Share Option Scheme, namely tranche A ("**Tranche A Options**"), tranche B ("**Tranche B Options**") and tranche C ("**Tranche C Options**"). Subject to any alteration in the capital structure of the Company by way of capitalization of profits or reserves, rights issue, sub-division or consolidation of Shares or reduction of share capital of the Company, the exercise price is HKD0.68 for Tranche A Options, HKD1.07 for Tranche B Options, and HKD1.30 for Tranche C Options.

Duration of the 2018 Pre-IPO Share Option Scheme

The 2018 Pre-IPO Share Option Scheme shall be valid and effective for the period of time commencing on the scheme adoption date of 18 March 2018 and expiring on the day immediately prior to the date on which the Shares first commence trading on the Hong Kong Stock Exchange (i.e. 3 August 2018), after which period no further Pre-IPO Share Options will be granted but the provisions of the 2018 Pre-IPO Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Pre-IPO Share Options which are granted during the life of the 2018 Pre-IPO Share Option Scheme or otherwise as may be required in accordance with the provisions of the scheme.

Share Options Granted under the 2018 Pre-IPO Share Option Scheme

As at 31 August 2025, the number of relevant Shares subject to outstanding options under the 2018 Pre-IPO Share Option Scheme is 230,287,254 Shares, representing approximately 2.8% of the issued share capital of the Company. As at 31 August 2025, our Company had granted Pre-IPO Share Options to 321 Participants under the 2018 Pre-IPO Share Option Scheme.

The following table discloses movements in the outstanding options granted to all Grantees under the Pre-IPO Share Option Scheme:

Grantee	Number of share options: As at 1 September 2024	Granted during the period	Exercised during the period	Lapsed during the period	As at 31 August 2025	Date of grant	Exercise period	Exercise price per share option HK$ per share	Vesting period	Price of the Company's shares before the grant date HK$ per share	Weighted average closing price of the Company's shares: Immediately before the exercise date HK$ per share	At the exercise date of share options HK$ per share
Director												
Zhang Bing	5,001,484	–	–	–	5,001,484	18 March 2018	From 2 February 2019 to 2 August 2038	1.07	From 18 March 2018 to 2 February 2019	–	–	–
Employees (including Senior Management)												
320 individuals	225,285,770	–	–	–	225,285,770	18 March 2018	From 2 February 2019 to 2 August 2038	0.68/1.07/ 1.30	From 18 March 2018 to 2 February 2019	–	–	–
Total	230,287,254	–	–	–	230,287,254				–	–	–	–

As at 31 August 2025, save for disclosed above, no share options were exercised, cancelled or lapsed under the Pre-IPO Share Option Scheme.

Note: As at 1 September 2024 and 31 August 2025, no share option was available for grant under the 2018-Pre-IPO Share Option Scheme of the Company. Details of the 2018 Pre-IPO Share Option Scheme of the Company adopted on 18 March 2018 are set out in Note 31 to the consolidated financial statements of this annual report.

2022 SHARE OPTION SCHEME

The Company adopted the 2022 Share Option Scheme on 18 March 2022 to provide incentives or rewards to eligible participants for their past services or performance. The principal terms of the 2022 Share Option Scheme are set out as follows:

Purpose

The 2022 Share Option Scheme aims to provide incentive or rewards to certain participants for their past services or performance with the opportunity to subscribe for the Shares under the operation of the 2022 Share Option Scheme, to improve the Group's governance structure, to establish and enhance the interests of employees and the Shareholders as a whole, to establish benefit and risk sharing mechanisms and avoid short-term behavior, to promote the Group's performance improvement and long-term stable development by effectively attracting, retaining and motivating our core staff of the Group which would be beneficial to the consolidation of the Group's talent base, to stimulate employees' morale and assist them in their status transformation from "work" to "partner" to achieve common prosperity.

Participants

The Participants under the 2022 Share Option Scheme include any Director (excluding independent non-executive Directors) of any member of the Company from time to time, and any senior management or core employee of any member of the Group.

Maximum Number of Shares Available for Issue

The total number of Shares available for issue under the 2022 Share Option Scheme is 605,331,070, representing approximately 6.98% of the total Shares in issue (excluding treasury shares) as at the date of this annual report.

Maximum Entitlement of a Grantee

Unless approved by the Shareholders, the total number of Shares in issue and to be issued upon the exercise of share options (including the exercised and outstanding share options) granted to each grantee under the 2022 Share Option Scheme and any share option scheme of the Company within twelve months from the date of grant shall not exceed 1% of the total number of Shares in issue. Any further grant of share options exceeding such limit shall be subject to separate approval of the Shareholders in general meeting with such grantee and his/her associates abstaining from voting.

Subscription

A grant letter shall be deemed to have been accepted and share options to which the grant letter relates shall be deemed to have been granted and accepted and to have taken effect when the grant letter is duly signed by the grantee together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within seven (7) days from the date of grant (inclusive of the date of grant).

Time of Exercise of Share Options

No share option shall be exercised within twelve (12) months from the date of grant. A share option may, subject to the rules of the 2022 Share Option Scheme and the terms and conditions upon which such share option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company.

Exercise Price

The exercise price will be determined by the Board, which shall be the higher of: (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant (which must be a business day); (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the date of grant; and (c) the nominal value of a Share.

Duration

The 2022 Share Option Scheme will be valid for a period of ten (10) years commencing from 18 March 2022, unless terminated in advance under the relevant requirements of the 2022 Share Option Scheme. The remaining life of the 2022 Share Option Scheme is approximately 6.2 years.

On 26 September 2023, the Company granted a total of 190,000,000 share options to 18 eligible participants. The following table discloses movements in the outstanding options granted to all grantees under the 2022 Share Option Scheme:

Grantee	Date of Grant	Vesting Date	Exercise Period	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Exercise Price of Share HK$ per Share	Numbers of Share Options Outstanding at 1 September 2024	Number of Shares Options Outstanding at 31 August 2025
Xu Changjun	11 May 2022	1 December 2022	during the period from 11 May 2023 to 30 Nov 2032	—	—	—	—	0.486	5,000,000	5,000,000
Tang Jianyuan[3]	11 May 2022	1 December 2022	during the period from 11 May 2023 to 30 Nov 2032	—	—	—	5,000,000	0.486	5,000,000	—
	26 September 2023	26 September 2024	during the period from 26 Sep 2024 to 30 Nov 2032	—	—	—	15,000,000	0.493	15,000,000	—
Lou Qunwei[4]	26 September 2023	26 September 2024	during the period from 26 Sep 2024 to 30 Nov 2032	—	—	—	—	0.493	10,000,000	10,000,000
Employees (non-connected persons)	11 May 2022	1 December 2022	during the period from 11 May 2023 to 30 Nov 2032	—	—	—	25,606,970	0.486	361,522,822	335,915,852
	26 September 2023	26 September 2024	during the period from 26 Sep 2024 to 30 Nov 2032	—	—	—	—	0.493	150,000,000	150,000,000
Total				—	—	—	45,606,970	—	546,522,822	500,915,852

Notes:

1. The validity period of share options granted on 11 May 2022 is from 1 December 2022 to 30 November 2032 (both day inclusive). No Share Options could be exercised before 10 May 2023. The closing price of the Shares on 10 May 2022 was HK$0.455. As at 1 September 2024, the number of options available for grant under the 2022 Share Option Scheme is 58,808,248 Shares. As at 31 August 2025, the number of options available for grant under the 2022 Share Option Scheme is 104,415,218 Shares.

2. On 26 September 2023, the Company granted a total of 190,000,000 share options to 18 eligible participants to subscribe for 190,000,000 ordinary shares of US$0.00001 each. For details, please refer to the Company's announcements dated 26 September 2023 and 3 October 2023. The share options granted on 26 September 2023 are valid from the date of grant to 30 November 2032 (both dates inclusive). The closing price of the shares on 25 September 2023 was HK$0.490. The vesting of these share options is subject to the achievement of certain performance targets and other conditions determined by the Board at its sole discretion and notified in writing to the grantee(s). Performance targets are related to (i) financial parameters of the Group and (ii)individual performance indicators related to the grantee's role and responsibilities. The average fair value of the share options granted on 26 September 2023 was RMB0.2515 per share at the date of grant. Details of the valuation, including the accounting standards and policies adopted, are set out in Note 31 of the consolidated financial statement of this report.

3. Mr. Tang Jianyuan resigned with effect from 27 September 2024.

4. Ms. Lou Qunwei resigned as an executive Director and a member of the Strategy and Development Committee of the Company with effect from 29 November 2024 but will continue to serve as the senior vice president of the Company.

The number of Shares that may be issued in respect of options granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period was nil.

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

On 26 May 2025, the Company announced that, as of the date, it has repurchased US$78,700,000 in aggregate principal amount of the convertible bonds (representing approximately 22.49% of the convertible bonds originally issued) in accordance with the terms of the convertible bonds, at a total cash consideration of approximately US$47,490,250 (representing approximately 60.34% of the par value of the convertible bonds). Following settlement, the principal amount of the convertible bonds remains outstanding was US$271,300,000. For details, please refer to the announcement of the Company dated 26 May 2025.

Save as disclosed above, during the year ended 31 August 2025, neither the Company nor any of its subsidiaries had purchase, sell or redeem any listed securities of the Company (including the sale of treasury shares). As at the end of the Reporting Period, there are no treasury shares held by the Company.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group on 31 August 2025 are set out in Note 27 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme as described above, no equity-linked agreements were entered into by the Company during the year ended 31 August 2025.

DIRECTORS' INTERESTS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Continuing Connected Transactions" in this report, during the year ended 31 August 2025, none of the Directors or entities connected with the Directors, had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its controlling company, any of its subsidiaries or fellow subsidiaries was a party.

MANAGEMENT CONTRACTS

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

CONTRACTS OF SIGNIFICANCE ENTERED INTO WITH CONTROLLING SHAREHOLDERS

During the year ended 31 August 2025, save as disclosed in the section headed "Continuing Connected Transactions" in this report, no other contract of significance was entered into by the Company or any of its subsidiaries with the controlling Shareholders of the Company or its subsidiaries.

During the year ended 31 August 2025, there was no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder of the Company or any of its subsidiaries.

CONTINUING CONNECTED TRANSACTIONS

In the related party transactions disclosed in Note 35 to the consolidated financial statements, the following transactions constitute continuing connected transactions of the Company and need to be disclosed in this annual report under the requirements of Chapter 14A of the Listing Rules. The Company confirms that it has been in compliance with disclosure requirements under Chapter 14A of the Listing Rules in respect of all of its continuing connected transactions.

1. Property Cooperation Framework Agreement

Since 2014 and for the year ended 31 August 2025, our schools have leased certain properties to certain of the 30%-controlled companies of Wang Huiwu and the then subsidiaries of XJ International, which became subsidiaries of Tequ Education following the division as discussed in "History — Reorganization of our Consolidated Affiliated Entities — The Division of XJ International for Delineation of Business" in the Prospectus. Our Company, Mr. Wang Huiwu and Tequ Education entered into a property leasing framework agreement (the "**Property Leasing Framework Agreement**") on 20 July 2018 in respect of the leasing of land, buildings, ancillary facilities from us to Tequ Education and/or its associates. On 11 February 2021, the Property Leasing Framework Agreement has been renewed by Sichuan Hope Education (a consolidated affiliated entity of the Company) and Tequ Education. On 21 July 2023, Sichuan Hope Education and Tequ Education entered into the New Property Cooperation Framework Agreement, pursuant to which Sichuan Hope Education and its respective subsidiaries shall cooperate in the operation and management of rights of use of various land and buildings, as well as ancillary facilities and equipment by way of leasing, trusteeship, etc. for a term of three years ending on 31 August 2025. The following table sets forth a summary of the Property Cooperation Framework Agreement.

Lessee	Lessor	Duration of the Lease	Description of the properties leased	Actual amounts for the year ended 31 August 2025	Annual cap for the year ended 31 August 2025
				(in millions of RMB)	
Tequ Education and its associates	Our Company	Three years ending on 31 August 2025	Operates and manages the right of use of various lands and buildings as well as ancillary facilities and equipment by way of leasing and trusteeship, etc.	4.39	80

As Mr. Wang Huiwu is an executive Director of our Company and Tequ Education is an associate of our substantial Shareholders, each of Mr. Wang Huiwu and Tequ Education is our connected person under Rules 14A.07(1), 14A.07(4) and 14A.13(1) of the Listing Rules.

Mr. Wang Huiwu and Tequ Education and/or their associates lease certain of properties from us for the use of teaching, training and ancillary activities, and we expect that we will continue to cooperate with Mr. Wang Huiwu and Tequ Education and/or its associates in the operation and management of rights of use of various land and buildings as well as ancillary facilities and equipment in the future to better utilize our idle properties.

During the year ended 31 August 2025, the amounts of rent paid or payable by Tequ Education and/or its associates to us were RMB4.39 million. The annual caps were estimated based on the rental payable as determined with reference to (i) the prevailing market rents and trend for properties at a location and with a size similar to the properties; various particulars of the properties, including but not limited to the location of such leased properties and the facilities and management services related to the properties; the supply of properties with a similar size at nearby locations); (ii) the prevailing market rents for similar properties near the leased properties; and (iii) the expected amount of service charges and other expenses.

The above-mentioned continuing connected transactions during the year have been reviewed by all independent non-executive Directors, and they confirmed that these transactions are:

(a) entered into in the ordinary course of business of the Group;

(b) on normal commercial terms or better; and

(c) conducted in accordance with the relevant agreements governing the relevant transactions, on terms that are fair and reasonable and in the interests of the shareholders as a whole.

Ernst & Young, Certified Public Accountants ("**Ernst & Young**"), being the Company's independent auditor, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unmodified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above to the Board in accordance with Rule 14A.56 of the Listing Rules confirming that nothing has come to their attention that causes them to believe the continuing connected transactions:

(1) have not been approved by the Board of the listed issuer;

(2) the pricing policy of the listed issuer group is not followed in all material aspects when the transaction involves the provision of goods or services by the group of the listed issuer;

(3) the relevant transaction was not carried out in accordance with the agreement in all material respects; and

(4) exceed the upper limit.

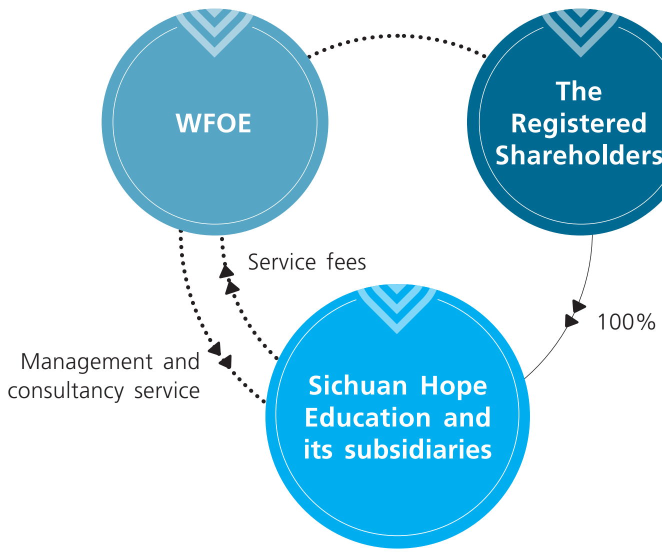
2. Contractual Arrangements

Reasons for Entering into Contractual Arrangements

We currently conduct our private education business through our consolidated affiliated entities in the PRC as PRC laws and regulations, or the implementation of PRC laws and regulations relating to foreign ownership in the higher education industry by relevant government authorities, generally prohibit or restrict foreign ownership in the private education industry in the PRC. PRC laws and regulations currently restrict the operation of higher education institutions to Sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. We do not hold any direct equity interest in our consolidated affiliated entities. The contractual arrangements, through which we are able to exercise control over, and derive the economic benefits from our consolidated affiliated entities, have been narrowly tailored to achieve our business purpose and minimize potential conflict with relevant PRC laws and regulations.

In order to comply with the PRC laws and regulations as set out above while availing ourselves to international capital markets and maintaining effective control over all of our operations, on 14 March 2018, our wholly-owned subsidiary, WFOE entered into various agreements (as amended and superseded by certain agreements dated 22 June 2018, as the case may be, and the supplementary agreement entered into on 8 July 2020) that together constitute the contractual arrangements with, among others, our consolidated affiliated entities. The above agreements were superseded by certain agreements entered into on 23 December 2024. Pursuant to the agreements, substantially all economic benefits arising from the business of our consolidated affiliated entities are transferred to WFOE, to the extent permitted under the PRC laws and regulations, by means of services fees paid by our consolidated affiliated entities to WFOE.

The following simplified diagram illustrates the flow of economic benefits from Sichuan Hope Education to us under the contractual arrangements:



Notes:

(1) "⟶" denotes direct legal and beneficial ownership in the equity interest.

(2) "- - ➔" denotes contractual relationship.

(3) "- - - -" denotes the control by WFOE over the Registered Shareholders through (1) powers of attorney to exercise all shareholders' rights in Sichuan Hope Education; (2) exclusive options to acquire all or part of the equity interests in Sichuan Hope Education; and (3) equity pledges over the equity interests in Sichuan Hope Education as to exercise the right of control upon Registered Shareholders.

(4) Registered Shareholders refer to shareholders of Sichuan Hope Education, namely, Sichuan Tequ Investment and Chengdu Mayflower Investment Management.

As at the date of this annual report, we had not encountered any interference or encumbrance from any PRC governing bodies in relation to the contractual arrangements. The consolidated financial results of our consolidated affiliated entities, which engage in education service, are consolidated in the combined financial results of our Group.

Listing Rules Implications

The table below sets forth the connected persons of our Company involved in the contractual arrangements and the nature of their connection with our Group. The transactions under the contractual arrangements constitute continuing connected transactions of our Company under the Listing Rules upon Listing.

Name	Connected relationships
Sichuan Tequ Investment and Chengdu Mayflower Investment Management	Substantial shareholders of Sichuan Hope Education, and therefore connected persons of our Company under Rule 14A.07(1) of the Listing Rules
Wang Huiwu	A substantial Shareholder and Director of our Company and therefore a connected person of our Company under Rule 14A.07(1) of the Listing Rules
Wang Degen and Tang Jianyuan	Former Directors of our Company, and substantial shareholders and therefore connected persons of our Company under Rule 14A.07(1) of the Listing Rules
Sichuan Tequ Investment, West Hope, Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司), Sichuan Shengbo Genyuan Trade Limited (四川生搏根源貿易有限公司), Fu Wenge (付文革), Chen Yuxin (陳育新), Zhao Guiqin (趙桂琴), Zhang Qiang (張強), Liu Birong (劉碧容), Wang Qiang (王強), Lan Hai (蘭海), Zeng Zheng (曾正), Zhou Xingbang (周興幫), Wang Xiaoguo (王孝國), Xiao Song (肖崧), Mei Shaofeng (梅紹鋒)	Substantial Shareholders of our Company and therefore connected persons of our Company under Rule 14A.07(1) of the Listing Rules
Spouses of the substantial Shareholders (as applicable)	Spouses of the substantial Shareholders of our Company and therefore connected persons of our Company under Rule 14A.07(1) and Rule 14A.12(1)(a) of the Listing Rules

Summary of the Material Terms of the Contractual Arrangements

A description of each of the specific agreements that the Contractual Arrangements entered into during the year ended 31 August 2025 comprise is set out below.

(1) Exclusive Management Consultancy and Business Cooperation Agreement

Pursuant to the exclusive management consultancy and business cooperation agreement dated 14 March 2018 entered into by and among WFOE, Sichuan Hope Education and its subsidiaries and Registered Shareholders (the "**Exclusive Management Consultancy and Business Cooperation Agreement**"), WFOE has the exclusive right to provide, or designate any third party to provide each of our consolidated affiliated entities with corporate management and educational services, intellectual property rights licensing services as well as technical and business support services. WFOE is entitled to own all intellectual property rights arising out of the performance of this agreement. Our consolidated affiliated entities agree to pay the entirety of their total income for the services provided by WFOE (net of costs, expenses, taxes and payments required by the relevant laws and regulations to be reserved or withheld).

As Zhuhai Maiwen became a shareholder of Sichuan Hope Education after conversion of the Convertible Loan and thus a Registered Shareholder, on 22 June 2018, the WFOE, Sichuan Hope Education and its Registered Shareholders entered into a second exclusive management consultancy and business cooperation agreement (the "**Second Exclusive Management Consultancy and Business Cooperation Agreement**"), which replaced and superseded the Exclusive Management Consultancy and Business Cooperation Agreement in its entirety. Save for the date of and parties to the agreement, the terms and conditions of the Second Exclusive Management Consultancy and Business Cooperation Agreement are substantially the same as those of the Exclusive Management Consultancy and Business Cooperation Agreement.

In order to comply with the PRC laws and regulations while availing the Company to international capital markets and maintaining effective control over all of the operations, on 8 July 2020, the Company, WFOE, Tequ Mayflower WFOE, Sichuan Hope Education and its subsidiaries and its Registered Shareholders entered into the Supplemental Agreement (together with the Second Exclusive Management Consultancy and Business Cooperation Agreement, the "**Supplemental Agreement**") to supplement the terms of the Second Exclusive Management Consultancy and Business Cooperation Agreement, under which substantially all economic benefits arising from the business of the Consolidated Affiliated Entities are transferred to WFOE to the extent permitted under the PRC laws and regulations by means of services fees payable by the Consolidated Affiliated Entities to WFOE.

On 23 December 2024, as CEL Maiming and Guangwei Qinghe no longer held shares in Sichuan Hope Education, the Company, the WFOE, Sichuan Hope Education and its Registered Shareholders entered into an agreement to reflect the change in Registered Shareholders, the content of which are identical to the terms and conditions of the Supplemental Agreement and supersede the Supplemental Agreement.

(2) Exclusive Call Option Agreement

Under the exclusive call option agreement dated 14 March 2018 entered into among WFOE, Sichuan Hope Education and its Registered Shareholders (the "**Exclusive Call Option Agreement**"), 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 Sichuan Hope Education 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 Sichuan Hope Education. 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. WFOE has the sole discretion to decide when to exercise the option, and whether to exercise the option in part or in full.

As Zhuhai Maiwen became a shareholder of Sichuan Hope Education after conversion of the Convertible Loan and thus a Registered Shareholder, on 22 June 2018, the WFOE, Sichuan Hope Education and its Registered Shareholders entered into a second exclusive call option agreement (the "**Second Exclusive Call Option Agreement**"), which replaced and superseded the Exclusive Call Option Agreement in its entirety. Save for the date of and parties to the agreement, the terms and conditions of the Second Exclusive Call Option Agreement are substantially the same as those of the Exclusive Call Option Agreement.

On 23 December 2024, as CEL Maiming and Guangwei Qinghe no longer held shares in Sichuan Hope Education, the WFOE, Sichuan Hope Education and its Registered Shareholders entered into an agreement to reflect the change in Registered Shareholders, the content of which are completely identical to the terms and conditions of the Second Exclusive Call Option Agreement and supersede the Second Exclusive Call Option Agreement.

(3) Equity Pledge Agreement

Pursuant to the equity pledge agreement dated 14 March 2018 entered into by and among WFOE, Sichuan Hope Education and its Registered Shareholders (the "**Equity Pledge Agreement**"), the Registered Shareholders unconditionally and irrevocably offered first priority pledge over all of the equity interests in Sichuan Hope Education to WFOE to guarantee (i) performance of the obligations of Sichuan Hope Education, its subsidiaries and the Registered Shareholders under the Exclusive Management Consultancy and Business Cooperation Agreement; and (ii) performance of Sichuan Hope Education and the Registered Shareholders' obligations under the Exclusive Call Option Agreement and the Powers of Attorney (as defined below). Under the Equity Pledge Agreement, the Registered Shareholders have agreed that, without the prior written consent of WFOE, they will not transfer or dispose the pledged equity interests or create or allow any third party to create any encumbrance on the pledged equity interests that would prejudice WFOE's interest.

As Zhuhai Maiwen became a shareholder of Sichuan Hope Education after conversion of the Convertible Loan and thus a Registered Shareholder, on 22 June 2018, the WFOE, Sichuan Hope Education and its Registered Shareholders entered into a second equity pledge agreement (the "**Second Equity Pledge Agreement**"), which replaced and superseded the Equity Pledge Agreement in its entirety. Save for the date of and parties to the agreement, the terms and conditions of the Second Equity Pledge Agreement are substantially the same as those of the Equity Pledge Agreement.

On 23 December 2024, as CEL Maiming and Guangwei Qinghe no longer held shares in Sichuan Hope Education, the WFOE, Sichuan Hope Education and its Registered Shareholders entered into an agreement to reflect the change in Registered Shareholders, the content of which are completely identical to the terms and conditions of the Second Equity Pledge Agreement and supersede the Second Equity Pledge Agreement.

(4) Powers of Attorney

The Registered Shareholders have executed an irrevocable power of attorney on 14 March 2018 appointing WFOE, or any person designated by WFOE (excluding non-independent 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 Sichuan Hope Education requiring shareholders' approval under its respective articles of associations and under the relevant PRC laws and regulations. The power of attorney remains effective until the nullification or termination of the Exclusive Management Consultancy and Business Cooperation Agreement. As Zhuhai Maiwen became a shareholder of Sichuan Hope Education after conversion of the Convertible Loan and thus a Registered Shareholder, on 22 June 2018, each of the Registered Shareholders has executed an irrevocable power of attorney, which replaced and superseded the powers of attorney executed by the Registered Shareholders on 14 March 2018 in their entirety. As CEL Maiming and Guangwei Qinghe no longer held shares in Sichuan Hope Education, on 23 December 2024, each of the Registered Shareholders has executed an irrevocable power of attorney, which replaced and superseded the powers of attorney executed by the Registered Shareholders before in their entirety. Save for the date of the powers of attorney, the terms and conditions of the powers of attorney dated 22 June 2018 are substantially the same as those dated 14 March 2018 and those dated 23 December 2024.

(5) Shareholders' Undertaking

Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司), West Hope, Wang Degen (王德根), Chen Yuxin (陳育新), Zhao Guiqin (趙桂琴), Zhang Qiang (張強), Tang Jianyuan (唐健源), Liu Birong (劉碧容), Wang Qiang (王強), Lan Hai (蘭海), Zeng Zheng (曾正), Zhou Xingbang (周興幫), Wang Xiaoguo (王孝國), Xiao Song (肖崧), Mei Shaofeng (梅紹鋒) gave an undertaking on 14 March 2018 and Wang Huiwu (汪輝武), Fu Wenge (付文革), Wang Degen (王德根) gave an undertaking on 14 March 2018 in favor of our Company and WFOE, to acknowledge and agree the Registered Shareholders to offer first priority pledge over all of their respective equity interests in Sichuan Hope Education to WFOE (the "**Shareholders' Undertaking**"). Pursuant to Shareholders' Undertaking, each of the promisors does not and will not use their direct or indirect interests in the Registered Shareholders to make pledge, sale, other third party guarantees, other third party priority pledge, or other disposals or transactions that have equal economic effects to affect the first priority pledge over equity interests in Sichuan Hope Education to WFOE and the stability of the operation of contractual arrangements, nor he/she/it will directly or indirectly engage in, possess, invest, participate in or operate any businesses or activities which compete or might compete with Sichuan Hope Education and its subsidiaries ("**Competing Businesses**") with any information obtained from Sichuan Hope Education or its subsidiaries, or derive any benefits from any Competing Businesses.

As Zhuhai Maiwen became a shareholder of Sichuan Hope Education after conversion of the Convertible Loan and thus a Registered Shareholder, on 22 June 2018, each of CEL Huiling (also being the general partner of Zhuhai Maiwen) and Yixing CEL executed an undertaking on 22 June 2018 in favour of our Company and WFOE to acknowledge and agree the Registered Shareholders (including Zhuhai Maiwen) to offer first priority pledge over all of their respective equity interests in Sichuan Hope Education to WFOE (the "**Second Shareholders' Undertaking**"). The Second Shareholders' Undertaking replaced and superseded the Shareholders' Undertaking in its entirety. Save for the date of the undertaking, the terms and conditions of the Second Shareholders' Undertaking are substantially the same as those of the Shareholders' Undertaking.

Business Activities of Consolidated Affiliated Entities

Consolidated affiliated entities of the Group include Sichuan Hope Education and its subsidiaries (i.e. our schools and our education investment platforms). The principal business of Sichuan Hope Education and our education investment platforms is higher education investment. Our schools mainly provide higher education services.

The Importance and Financial Contribution of the Consolidated Affiliated Entities to the Group

Under the contractual arrangements, our Group has obtained control of the consolidated affiliated entities through WFOE and, at our Company's sole discretion, can receive substantially all of the economic interest returns generated by the consolidated affiliated entities. The following table sets forth the financial contributions of the consolidated affiliated entities to the Group:

	The Importance and Financial Contribution to the Group		
	Income For the year ended 31 August 2025	**Net profit For the year ended 31 August 2025**	**Total assets For the year ended 31 August 2025**
The importance and financial contribution to the Group	83.36%	3.61%	82.84%

Income and Assets Involved in the Contractual Arrangements

The following table sets forth the (i) income; and (ii) the total assets involved in the consolidated affiliated entities for the year ended 31 August 2025, and such income and assets will be consolidated into the Group's financial statements in accordance with the contractual arrangements:

	Income RMB million	**Assets RMB million**
Consolidated Affiliated Entities	3,301	18,223

Risks in relation to the Arrangements and Actions Taken to Reduce Risks

Our wholly-owned subsidiary WFOE entered into the contractual arrangements pursuant to which it is entitled to receive substantially all of the economic benefits from our consolidated affiliated entities. We have been and are expected to continue to be dependent on our contractual arrangements to operate our education business. If the contractual arrangements that establish the structure for operating our China business are found to be in violation of any existing or future PRC laws, rules or regulations or fail to obtain or maintain any of the required permits or approvals, we may not be able to consolidate the results of operations of our consolidated affiliated entities. The relevant PRC regulatory authorities, including the MOE, would have broad discretion in dealing with such violations, including:

- revoking the business and operating licenses of our PRC subsidiaries or consolidated affiliated entities;

- discontinuing or restricting the operations of any related-party transactions among our PRC subsidiaries or consolidated affiliated entities;

- imposing additional conditions or requirements with which we, our PRC subsidiaries or consolidated affiliated entities may not be able to comply;

- requiring us to undergo a costly and disruptive restructuring such as forcing us to establish new entities, re-apply for the necessary licenses or relocate our businesses, staff or assets;

- restricting or prohibiting our use of proceeds from public offering or other financing activities to finance our business and operations in China; or

- taking other regulatory or enforcement actions, including imposing fines, which could be harmful to our business.

The imposition of any of these penalties may result in a material and adverse effect on our ability to conduct our business in China and a loss of our economic benefits in the assets and operations of our consolidated affiliated entities. In addition, if the imposition of any of these penalties causes us to lose the rights to direct the consolidated affiliated entities or our rights to receive its economic benefits, we would no longer be able to consolidate such entity. Such entity contributes substantially all of our consolidated net revenues.

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the contractual arrangements and our compliance with the contractual arrangements:

- major issues arising from the implementation and compliance with the contractual arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

- our Board will review the overall performance and compliance with the contractual arrangements at least once a year;

- our Company will disclose the overall performance and compliance with the contractual arrangements in our annual reports;

- our Directors undertake to provide periodic updates in our annual reports regarding the Qualification Requirement as stipulated under "Contractual Arrangements — Background to the Contractual Arrangements" in the Prospectus and the latest development of the applicable laws and regulations as disclosed under "Contractual Arrangements — Development in PRC Legislation on Foreign Investment" in the Prospectus, including the latest relevant regulatory development as well as our plan and progress in acquiring the relevant experience to meet the Qualification Requirement; and

- our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the contractual arrangements, review the legal compliance of WFOE and our consolidated affiliated entities to deal with specific issues or matters arising from the contractual arrangements.

In addition, we believe that our Directors are able to perform their roles in our Group independently and we are capable of managing our business independently after the Listing under the following measures:

- the decision-making mechanism of the Board as set out in the Articles of Association includes provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, a Director shall declare the nature of his or her interest at the earliest meeting of the Board at which it is practicable for him or her to do so, and if he or she is to be regarded as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted in the quorum;

- each of our Directors is aware of his or her fiduciary duties as a Director which requires, among other things, that he or she acts for the benefits and in the best interests of our Company;

- we have appointed three independent non-executive Directors to provide a balance of the number of interested and independent Directors with a view to promoting the interests of our Company and our Shareholders as a whole; and

- we will disclose in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by the Board (including independent non-executive Directors) relating to any business or interest of each Director and his or her associates that competes or may compete with the business of our Group and any other conflicts of interest which any such person has or may have with our Group.

Review of the Transactions Carried Out during the Reporting Period in accordance with the Contractual Arrangements

The independent non-executive Directors of the Company have reviewed the contractual arrangements and confirmed for the year ended 31 August 2025, that (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the contractual arrangements, (ii) no dividends or other distributions have been made by our consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and the consolidated affiliated entities during the relevant financial period are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of the Shareholders as a whole.

The Board has reviewed the overall performance and compliance of the contractual arrangements for the year ended 31 August 2025.

The auditor of the Group has reviewed the transactions carried out under the contractual arrangements in accordance with Hong Kong Standard on Assurance Engagements 3000 (revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, and a letter has been sent to the Directors and a copy has been sent to the Hong Kong Stock Exchange to confirm that the transactions have been approved by the Directors and has been entered into in accordance with the relevant contractual arrangements and that no dividends or other distributions have been made by our consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

The Directors confirmed that the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules in respect of the contractual arrangements.

Material Changes

As at the date of this annual report, there is no material change in the circumstances on which the contractual arrangements and/or the adoption of the contractual arrangements are based.

Unwind the Contractual Arrangements

As at the date of this annual report, no contractual arrangements have been unwound and no circumstances occurred in which contractual arrangements could not be unwound in the event of cancellation of restrictions on the adoption of the contractual arrangements. For details, please refer to "Contractual Arrangements — PRC Laws and Regulations relating to Foreign Ownership in the Higher Education Industry — Circumstances in which we will unwind the Contractual Arrangements" in the Prospectus. If the regulatory environment in China changes and all Qualification Requirements are removed or we are able to meet the Qualification Requirements, and the Foreign Ownership Restriction and the Foreign Control Restriction are removed (assuming there are no other changes in the relevant PRC laws and regulations), our Company will be allowed to hold 100% of the interests in our schools and our Company will fully unwind the contractual arrangements and directly hold all equity interest in the schools. Our Company will also acquire rights to appoint all members to the board of directors of the schools.

LAND USE RIGHT CERTIFICATES, BUILDING OWNERSHIP CERTIFICATES AND FIRE CONTROL ASSESSMENT REQUIREMENTS

As at 31 August 2025, the total area of land used by our schools which had not obtained the land use right certificates and has not paid the land transfer fee decreased as compared with the previous year.

As at 31 August 2025, 32.9% of the total housing area of our schools had not yet obtained the building ownership certificates, primarily due to the lack of construction planning permit (建設工程規劃許可證), construction commencement permit (施工許可證) and acceptance inspection upon completion (竣工驗收), having not passed fire control assessment and/or environmental protection inspection assessment as required under relevant PRC laws and regulations. We have implemented extensive and comprehensive measures to rectify the above defects in our owned buildings and buildings under construction. We are in the process of applying to relevant government authorities for the relevant outstanding certificates and permits and are closely following up with the approval from the government authorities with respect to our applications.

In addition, as at 31 August 2025, some of our schools did not fully meet the regulatory requirements in terms of the teaching and administrative building area per student or the site area per student.

As at 31 August 2025, we were not aware of any actual or contemplated actions, claims or investigations by any government authorities or third parties against us with respect to the defects of the properties mentioned above. The Directors are of the view that the defects of our owned properties above will not have any significant and adverse effect on our operations and financial conditions as a whole.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group during the year ended 31 August 2025 are presented in Note 35 to the consolidated financial statements. The Company confirms that it has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

NON-COMPETE UNDERTAKING

Each of West Hope, Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司), Chen Yuxin (陳育新), Zhao Guiqin (趙桂琴), Zhang Qiang (張強), Wang Degen (王德根), Tang Jianyuan (唐健源), Liu Birong (劉碧容), Wang Qiang (王強), Lan Hai (蘭海), Zeng Zheng (曾正), Zhou Xingbang (周興幫), Wang Xiaoguo (王孝國), Xiao Song (肖崧), Mei Shaofeng (梅紹鋒), Wang Huiwu (汪輝武) and Fu Wenge (付文革), being our controlling Shareholders, and their respective close associates undertake to our Company and WFOE as part of the contractual arrangements that, unless with the prior written consent of WFOE and Sichuan Hope Education, so long as he/she/it remains a shareholder of Sichuan Hope Education, each of the aforementioned controlling Shareholders and their respective close associates will not directly or indirectly engage in, possess, invest, participate in or operate any businesses or activities which compete or might compete with the existing businesses of Sichuan Hope Education and its subsidiaries ("**Competing Businesses**") for interests of itself or other parties, or engage in Competing Businesses with any information obtained from Sichuan Hope Education or its subsidiaries, or derive any benefits from any Competing Businesses.

As at the date of this annual report, the controlling Shareholders do not have any other interest in any business that may, directly or indirectly, compete with the existing business of Sichuan Hope Education or its subsidiaries.

For details of the non-compete undertakings, please refer to "Relationship with Controlling Shareholders — Independence from Controlling Shareholders — Non-compete Undertaking" and "Relationship with Controlling Shareholders — Corporate Governance Measures" in the Prospectus.

The Company has received confirmations from the controlling Shareholders confirming their compliance with the non-compete undertaking during the Reporting Period for disclosure in this annual report.

The independent non-executive Directors have reviewed the compliance with the non-compete undertaking during the Reporting Period based on the information and confirmation provided by or obtained from the controlling Shareholders, and were satisfied that the controlling Shareholders have duly complied with the non-compete undertaking.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 August 2025, none of the Directors or any of their respective associates is engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

REMUNERATION POLICIES AND DIRECTORS' REMUNERATION

As at 31 August 2025, the Group had approximately 13,500 faculty members. Employee compensation includes salary, bonus and stock option schemes. The Group provides pre-employment training for new teachers to help new teachers integrate into the teaching staff faster and better. The remuneration packages of the Group's employees are determined by reference to individual qualifications, experience, performance, contribution to the Group and current market standards. In accordance with PRC laws and regulations, the Group participates in employee social security schemes managed by local governments for employees, including housing, pensions, medical insurance, maternity insurance and unemployment insurance.

The Nomination and Remuneration Committee is responsible for making recommendations to the Board on the remuneration policies and structure for all Directors and senior management as well as on the establishment of formal and transparent procedures for developing remuneration policies, taking into account the skills, knowledge and experience of the Board. None of the Directors shall determine his own remuneration.

The Directors and senior management may also receive options to be granted under the 2022 Share Option Scheme. For further details of the 2022 Share Option Scheme, see the section headed "Report of Directors — 2022 Share Option Scheme" in this annual report.

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Note 8 and Note 9 respectively, to the consolidated financial statements in this annual report. None of the Directors has waived any remunerations for the year ended 31 August 2025. No remuneration was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

RETIREMENT AND EMPLOYEE BENEFIT PLANS

Details of the Company's retirement and employee benefit plans are set out in Note 2.4 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

PUBLIC FLOAT

Based on the public information available to the Company and to the best knowledge of the Directors, the Company has been maintained the public float as required by the Listing Rules as at the date of this annual report.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last four financial years are set out on the section headed "Financial Summary" of this annual report. This summary does not form part of the audited consolidated financial statements.

TAX CONCESSION AND EXEMPTION

The Company is not aware of any tax concession and exemption granted to Shareholders by virtue of their holding of securities in the Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an expert.

DIRECTORS' PERMITTED INDEMNITY PROVISION

According to the Memorandum and Articles of Association of the Company, each Director, auditor or other senior management of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or legal liabilities incurred or suffered by him as the Director, auditor or other senior management of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is discharged. During the year ended 31 August 2025, the Company has maintained appropriate liability insurance for directors and the management of the Group.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

For details of the Group's significant events after the reporting period, please refer to "Management Discussion and Analysis — Events after the Reporting Period" of this annual report.

AUDITOR

At the forthcoming annual general meeting, a resolution will be proposed to re-appoint Ernst & Young as the independent auditor of the Company. In addition, the Company has not changed its auditor in the past three years.

By order of the Board
XJ International Holdings Co., Ltd.
Chairman
Zhang Bing

Hong Kong, 28 November 2025

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules to ensure that the Company's business activities and decision-making processes are regulated in a proper and prudent manner.

The Board confirmed that, during the Reporting Period, the Company has complied with all the code provisions set out in Part 2 of the CG Code and satisfied substantially all requirements of the proposed best practices provisions as set out in Part 2 of the CG Code.

THE BOARD

For the year ended 31 August 2025 and up to the date of this report, the names of the directors and the members of the committees established by the Board are as follows:

Executive Directors

Mr. Deng Yi (鄧怡) *(Member of the Strategy and Development Committee)*
Mr. Wang Huiwu (汪輝武) *(Chief executive officer, chairman of the Strategy and Development Committee, member of the Nomination and Remuneration Committee)*
Ms. Wang Xiu (汪秀) *(Member of the Strategy and Development Committee, member of the Nomination and Remuneration Committee)*

Non-executive Directors

Mr. Zhang Bing (張兵) *(Chairman, member of the Strategy and Development Committee)*
Mr. Xu Changjun (徐昌俊) *(Member of the Audit Committee)*
Mr. Wang Xiaowu (汪曉武) *(Member of the Audit Committee, member of the Strategy and Development Committee)*

Independent Non-executive Directors

Mr. Zhang Jin (張進) *(Chairman of the Audit Committee, member of the Nomination and Remuneration Committee)*
Mr. Liu Zhonghui (劉仲輝) *(Chairman of the Nomination and Remuneration Committee, member of the Audit Committee)*
Mr. Xiang Chuan (向川) *(Member of the Audit Committee, member of the Nomination and Remuneration Committee)*

All of the Directors are knowledgeable and have extensive experience in the business of the Group. The biographies of Directors are set out in the section headed "Directors and Senior Management" in this annual report. To the best of the Company's knowledge, except for Ms. Wang Xiu being the niece of Mr. Wang Huiwu and Mr. Wang Xiaowu being the son of Mr. Wang Huiwu, there are no relationships among the Board members. The Company reviews the composition of the Board from time to time, to ensure that the Board has a balance of skills and experience appropriate to the Company's business, and the Board has a strong independent element to safeguard the interests of Shareholders.

DELEGATION BY THE BOARD

The Board reserves its decision for all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Company are delegated to senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

The Group regularly reviews the duties and powers delegated in the above manner to ensure that the persons delegated with duties and powers are still appropriate. The Board has also established an Audit Committee, a Nomination and Remuneration Committee and a Strategy and Development Committee to perform various duties delegated by the Board. Further details of these committees are set out below.

CORPORATE GOVERNANCE FUNCTIONS

The Board will also be responsible for the corporate governance functions of the Company, in order to develop the policies and practices on corporate governance and comply with laws and regulations; monitor the training and continuous professional development of Directors and senior management; develop the code of conduct and compliance manual applicable to directors and employees; and review the compliance with the CG Code and review the disclosure in the Corporate Governance Report. The Board will continue to assess and commit to continuous development and improvement of the Group's corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Since 5 January 2024, Mr. Zhang Bing has served as the chairman. Since the date of the Listing and up to the date of this annual report, Mr. Wang Huiwu served as the chief executive officer. The chairman is responsible for the management of the Board. The chief executive officer of the Company leads the day-to-day management of the Group's business. There is a clear and effective division of responsibilities between the chairman and the chief executive officer to ensure a balance of power and authority.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles of Association has established the procedures and processes for the appointment, re-election and removal of directors.

According to the Articles of Association, at each annual general meeting of the Company, one-third of the Directors shall retire by rotation and each director shall retire at least once every three years. The term of the newly appointed Directors shall last until the next annual general meeting of the Company and will then be eligible for re-election at the meeting.

As the 2024 annual general meeting of the Company was convened on 28 February 2025 and directors were re-elected in the meeting, the re-election of directors for the year 2025 will be proceeded in the next annual general meeting.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The roles of the independent non-executive Directors are to provide independent and objective advice to the Board and to provide sufficient constraints and balance to the Group, in order to safeguard the interests of the Shareholders and the Group as a whole. Independent non-executive directors actively participate in the Board and board committees, providing independent, constructive and informed advice.

The Company has received an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each independent non-executive Directors. The Company believes that all independent non-executive Directors have met the independence criteria set out in Rule 3.13 of the Listing Rules.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy to ensure that the Company will consider membership diversity in all aspects when determining the composition of the Board. The Company has established the following measurable objectives: the screening of candidates will be based on a number of aspects, including but not limited to, age, culture and educational background, ethnicity, professional experience, skills and knowledge. However, the appointment of the Board will ultimately be determined on the basis of the selected candidates' value and contribution to the Board. The Nomination and Remuneration Committee oversees the implementation of the board diversity policy and will review the policy periodically to make any necessary updates.

In reviewing the structure, size, composition and diversity of the Board, the Nomination and Remuneration Committee has taken into account the measurable objectives as set out in the board diversity policy. The Nomination and Remuneration Committee is of the view that the diversity level of the Board is appropriate in terms of knowledge, experience and skills of the Directors. The Board consists of 1 female Director and 8 male Directors. The Nomination and Remuneration Committee are of the view that the Board is in line with the board diversity policy, and will continue to observe the Board Diversity Policy and consider potential candidates against the objective criteria set out in the board diversity policy in order to achieve increasing diversity at the Board level.

DIRECTORS' AND SENIOR MANAGEMENT'S INSURANCE

As at the date of this annual report, the Company has made appropriate insurance arrangements for potential legal proceedings against its Directors and senior executives.

BOARD MEETINGS

According to the code provisions of the CG Code, board meetings shall be held at least four times a year, approximately once every quarter, and at least 14-day notices shall be given for regular board meetings. The Board meets from time to time to discuss the Group's overall strategy, operations and financial performance. Directors may attend board meetings in person or through electronic communication.

The notices and agenda of the board meetings and the relevant documents of the Board were sent to the Directors in time before the meetings.

Minutes of the Board meetings and committee meetings are/will be recorded in sufficient detail about the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and Board committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

For the year ended 31 August 2025, 31 Board meetings and 1 general meeting were held and the attendance of each Director at these meetings is set out as below:

Name of Directors	Number of attendance during the term of office of the Director/ meetings held during the term of office of the Director Board meetings	 General meeting
Executive Directors		
Mr. Xu Changjun	31/31	0/1
Mr. Wang Huiwu	31/31	1/1
Mr. Deng Yi (appointed on 27 September 2024)	27/27	0/1
Ms. Wang Xiu (appointed on 29 November 2024)	22/22	0/1
Mr. Li Tao (resigned on 23 January 2025)	16/16	0/0
Ms. Lou Qunwei (resigned on 29 November 2024)	9/9	0/0
Non-executive Directors		
Mr. Zhang Bing	31/31	1/1
Mr. Tang Jianyuan (resigned on 27 September 2024)	4/4	0/0
Mr. Wang Xiaowu (appointed on 23 January 2025)	15/15	0/1

Name of Directors	Number of attendance during the term of office of the Director/ meetings held during the term of office of the Director Board meetings	General meeting
Independent non-executive Directors		
Mr. Zhang Jin	31/31	0/1
Mr. Liu Zhonghui	31/31	0/1
Mr. Xiang Chuan	31/31	0/1

BOARD COMMITTEES

The Board has established three Board committees (namely the Audit Committee, the Nomination and Remuneration Committee and the Strategy and Development Committee), to oversee the Company's affairs in all aspects. All Board committees have established clear written terms of reference and report to the Board on their decisions or recommendations.

The Board committees are provided with sufficient resources to perform their duties and may seek independent view and professional advice where appropriate when receiving reasonable requests. The relevant costs shall be borne by the Company. The Board has reviewed the relevant mechanism to ensure its effective implementation.

AUDIT COMMITTEE

The Audit Committee was established on 14 July 2018 and consists of five members, namely Mr. Zhang Jin, Mr. Tang Jianyuan (resigned on 27 September 2024), Mr. Xu Changjun (appointed on 27 September 2024), Mr. Wang Xiaowu (appointed on 23 January 2025), Mr. Li Tao (resigned on 23 January 2025), Mr. Liu Zhonghui, and Mr. Xiang Chuan, of which Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan are independent non-executive Directors, and Mr. Tang Jianyuan (resigned on 27 September 2024), Mr. Xu Changjun (appointed on 27 September 2024) , Mr. Wang Xiaowu (appointed on 23 January 2025) and Mr. Li Tao (resigned on 23 January 2025) are non-executive Directors. Mr. Zhang Jin serves as the chairman of the Audit Committee, who has the appropriate professional qualifications and accounting and related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are as follows:

1. Relationship with the Company's auditors

(a) to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any matters in relation to its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; the Audit Committee shall discuss with the auditor the nature and scope of the audit and relevant reporting obligations before the audit commences;

(c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report and make recommendations to the Board on any matters where action or improvement is needed;

Clause 7 of terms of reference — The Audit Committee shall meet with the external auditors and internal reviewers without any executive Directors present at least once a year.

2. Review of the Company's financial information

(d) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant opinions on financial reporting contained in these statements and reports. In reviewing these statements and reports before submission to the Board, the committee shall focus particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental areas;

(iii) significant adjustments resulting from audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

3. Oversight of the Company's financial reporting system, risk management and internal control systems

(e) to review the Company's financial controls, and unless expressly addressed by a separate risk committee under the Board, or by the Board itself, to review the Company's risk management and internal control systems;

(f) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion shall include adequacy of resources, staff qualifications and experience, training programmes of the staff and the relevant budget of the Company's accounting and financial reporting function;

(g) to consider major investigation results on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to the investigation results;

(h) to review the Company's internal audit function, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(i) to review the Group's financial and accounting policies and practices;

(j) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or control systems and management's response;

(k) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(l) to report to the Board on the matters set out in this code provision; and

(m) to consider other topics, as defined by the Board.

The interim results and unaudited condensed consolidated financial statements of the Group for the six months ended 28 February 2025 and the audited financial results and report of the Group for the year ended 31 August 2025 have been reviewed by the Audit Committee, and the Audit Committee considers that the relevant financial statements have been prepared in accordance with applicable accounting standards and requirements and adequate disclosures have been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and the selection and appointment of external auditors. In addition, the Audit Committee has reviewed the Group's internal control and has monitored the Group's risk management and internal control systems.

For the year ended 31 August 2025, 5 meetings of the Audit Committee were held and the attendance of each member at the meeting is set out as below:

Name of Members	Number of attendance during the term of office/committee meeting(s) held during the term of office of the Director
Non-executive Directors	
Mr. Tang Jianyuan (resigned on 27 September 2024)	1/1
Mr. Xu Changjun (appointed on 27 September 2024)	4/4
Mr. Wang Xiaowu (appointed on 23 January 2025)	2/2
Mr. Li Tao (resigned on 23 January 2025)	3/3
Independent Non-executive Directors	
Mr. Zhang Jin	5/5
Mr. Liu Zhonghui	5/5
Mr. Xiang Chuan	5/5

For the year ended 31 August 2025, the Audit Committee has also held 4 meetings with external auditors and internal audit officers without the presence of the executive Directors.

During the meetings, the Audit Committee reviewed the results and report for the year ended 31 August 2024, the interim results and report for the six months ended 28 February 2025, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, continuing connected transactions, and scope of work and appointment of external auditors.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was established on 14 July 2018 and consists of five members, namely Mr. Wang Huiwu, Mr. Liu Zhonghui, Mr. Xiang Chuan, Ms. Wang Xiu and Mr. Zhang Jin, of which, Mr. Liu Zhonghui, Mr. Xiang Chuan and Mr. Zhang Jin are independent non-executive Directors, and Mr. Wang Huiwu and Ms. Wang Xiu are executive Directors. Mr. Liu Zhonghui serves as the chairman of the Nomination and Remuneration Committee. The primary duties of the Nomination and Remuneration Committee include, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; to review the structure, size and composition (including the skills, knowledge and experience) of the Board regularly and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent non-executive Directors; to evaluate the balance of skills, knowledge and experience on the Board before appointments are made by the Board, and, in the light of this evaluation result, preparing a description of the roles and capabilities required for a particular appointment; and to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on establishing a formal and transparent procedure for developing remuneration policy, including but not limited to review and/or approval of matters relating to the share schemes as described in Chapter 17 of Listing Rules; to review and approve senior management's remuneration proposals with reference to the Board's corporate goals and objectives; to review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment; to review the performance of duties by the Directors and senior management and to conduct annual performance appraisal; and to carry out other matters authorized by the Board.

The composition and written terms of reference of the Nomination and Remuneration Committee are in compliance with the requirements of the CG Code. During the year ended 31 August 2025, the Company held 2 meetings of the Nomination and Remuneration Committee, and the attendance of each member at the meeting is set out as below:

Name of Members	Number of attendance during the term of office/committee meeting(s) held during the term of office of the Director
Executive Directors	
Mr. Wang Huiwu	2/2
Ms. Wang Xiu (appointed as a member with effect from 29 August 2025)	0/0
Independent Non-executive Directors	
Mr. Liu Zhonghui	2/2
Mr. Xiang Chuan	2/2
Mr. Zhang Jin (appointed as a member with effect from 29 August 2025)	0/0

During the year ended 31 August 2025, two Nomination and Remuneration Committee meetings were held to review the structure, size and composition of the Board, assess the independence of each independent non-executive Directors, recommend to the Board on the re-election of the Directors retiring at the annual general meeting of the Company and consider and approve the terms of reference of the Nomination and Remuneration Committee. The appointment of directors was subject to nomination process in accordance with the Company's Board diversity policy and director nomination policy.

DIRECTOR NOMINATION POLICY

Procedure for Nomination of Directors

1. When there is a vacancy on the Board, the Nomination and Remuneration Committee should evaluate the balance of skills, knowledge, experience and characteristics of the members of the Board, and identify the special requirements for the vacancy (e.g. independence status in the case of an independent non-executive Director).

2. Prepare a description of the role and capabilities required for the particular vacancy.

3. Identify candidates through personal contacts/recommendations by the Board members, senior management, business partners or investors.

4. Arrange interview(s) with each candidate for the Nomination and Remuneration Committee to evaluate whether he or she meets the criteria adopted by the Nomination and Remuneration Committee for nomination of directors. One or more members of the Nomination and Remuneration Committee will attend the interview.

5. Conduct verification on information provided by the candidate.

6. Convene a Nomination and Remuneration Committee meeting to discuss and vote on which candidate(s) to be nominated to the Board.

7. Make recommendations to the Board on the candidate(s) for directorship.

8. Convene a Board meeting to discuss and vote on which candidate(s) to be appointed to the Board.

The Nomination and Remuneration Committee will refer to the following criteria when assessing candidates:

1. Reputation.

2. Achievements and experience in the education industry, especially in the private higher education sector.

3. Time available.

4. Diversification of the Board in various aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure.

STRATEGY AND DEVELOPMENT COMMITTEE

The Strategy and Development Committee was established on 14 July 2018 and consists of 5 members, namely Mr. Wang Huiwu, Mr. Deng Yi (appointed on 27 September 2024), Ms. Wang Xiu (appointed on 29 November 2024), Mr. Wang Xiaowu (appointed on 23 January 2025), Mr. Zhang Bing, Ms. Lou Qunwei (resigned on 29 November 2024) and Mr. Xu Changjun (ceased to be a member on 27 September 2024), of which Mr. Wang Huiwu, Mr. Deng Yi and Ms. Wang Xiu are executive Directors, and Mr. Zhang Bing and Mr. Wang Xiaowu are non-executive Directors. Mr. Wang Huiwu serves as the chairman of the Strategy and Development Committee. The primary duties of the Strategy and Development Committee include but are not limited to, to review and make recommendations to the Board on our business objectives and strategic development plans; to evaluate factors which may affect the Company's strategic development plans and their implementation, such as domestic and international economic and financial conditions, market and industry development trends and the national policies related to education institutions, and to make recommendations to the Board on adjustment to our strategic development plans in a timely manner; to supervise and inspect the implementation of annual and interim operation plans; to evaluate the Company's corporate governance and making recommendations to the Board; and other matters required by laws, administrative regulations, departmental rules and authorized by the Board.

During the year ended 31 August 2025, 1 meeting of the Strategy and Development Committee was held and the attendance of each member at the meeting is set out as below:

Name of Members	Number of attendance during the term of office/committee meeting(s) held during the term of office of the Director
Executive Directors	
Mr. Wang Huiwu	1/1
Ms. Wang Xiu	1/1
Mr. Deng Yi	1/1
Ms. Lou Qunwei (resigned on 29 November 2024)	0/0
Non-executive Directors	
Mr. Zhang Bing	1/1
Mr. Wang Xiaowu (appointed on 23 January 2025)	1/1
Mr. Xu Changjun (ceased to be a member on 27 September 2024)	0/0

During the Reporting Period, the Strategy and Development Committee reviewed the business objectives and strategic development plans of the Company; based on the domestic and international economic and financial situation, market and industry trends and national policies related to educational institutions, assessed the factors that may affect the Company's strategic development plans and its implementation.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation of Directors is supported by formal and transparent policies. Directors are fairly paid and their compensation is commensurate with their experience, responsibilities, workload and performance as well as the Group's performance. No Director is involved in deciding his/her own compensation. Although the Company maintains a competitive remuneration level to attract and retain directors and operate the Company successfully, it strictly enforces the Directors' compensation policy and budgets carefully, and does not pay the Directors more than necessary.

Details of the remuneration paid or payable to the Directors for the year ended 31 August 2025 are set out in Note 8 to the consolidated financial statements.

The remuneration paid or payable to the members of the senior management for the year ended 31 August 2025, the biographies of which are included in the section headed "Directors and Senior Management" of this annual report, are in the following bands:

Remuneration band(s) (RMB)	Number of individual
0 to 500,000	2
500,000 to 1,000,000	2
1,000,000 to 1,500,000	1
1,500,000 to 2,000,000	0
2,500,000 to 3,000,000	0

MODEL CODE FOR SECURITIES TRANSACTIONS

On 14 July 2018, the Company adopted the Model Code as the Group's code of conduct governing the dealings in the securities by the directors and relevant employees. Upon specific enquiry, all Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 August 2025.

CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

The Company periodically organises training courses for the Directors, senior management and staff, to develop and refresh their knowledge in areas related to their daily duties and the Group's business growth in a changing economic environment. For the year ended 31 August 2025, the Company's external legal advisor has provided training courses to all Directors on a wide range of topics, including the duties and responsibilities of the directors under the Listing Rules, the laws applicable to the Company, the Company's continuing compliance obligations, the disclosure requirements of price-sensitive information and directors' reporting responsibility under the Listing Rules and the Securities and Futures Ordinance, and the discloseable and connected transactions of listed companies. The Company also organised training courses with internal consultants with expertise in internal control and risk management as well as environmental, social and governance reporting. The executive Directors, senior management, financial department personnel and relevant personnel from operation and management departments participated in these training courses.

During the Reporting Period, all Directors (Mr. Deng Yi, Mr. Wang Huiwu and Ms. Wang Xiu as executive Directors; Mr. Zhang Bing, Mr. Xu Changjun and Mr. Wang Xiaowu as non-executive Directors; and Mr. Zhang Jin, Mr. Liu Zhonghui and Mr. Xiang Chuan as independent non-executive Directors) attended training courses.

In addition, Mr. Deng Yi and Ms. Wang Xiu (being executive Directors) and Mr. Zhang Bing and Mr. Wang Xiaowu (being non-executive Directors) have obtained legal advice as described in Rule 3.09D of the Listing Rules on 26 September 2024, 28 November 2024, 4 January 2024 and 22 January 2025, respectively, and they have confirmed their understanding of their responsibilities as a Director, the requirements under the Listing Rules that are applicable to them, and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

DIRECTORS' ACKNOWLEDGEMENT

The Board is responsible for presenting a balanced, clear and understandable assessment of the annual and interim reports, price sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

The Directors have acknowledged their responsibilities for preparing the financial statements for the year ended 31 August 2025. The management provides the Board with the necessary explanations and information so that the Board can make an informed assessment and approve the financial and other information submitted to it. The Company provides monthly updates to all members of the Board in relation to the latest information on the Company's performance, status and prospects.

AUDITORS' REMUNERATION

For the year ended 31 August 2025, the professional fees paid or payable by the Group to Ernst & Young, the Company's auditor for the audit and non-audit services were as follows:

	RMB'000
Audit services	7,350
Non-audit services	106

JOINT COMPANY SECRETARIES

Ms. Chan Yin Wah and Mr. Tan Li are joint company secretaries of the Company, whose biographies are set out in the section headed "Directors and Senior Management" of this annual report. Mr. Tan is a full-time employee of the Company and reports corporate governance matters to the chairman and chief executive officer of the Company.

Ms. Chan and Mr. Tan have received no less than 15 hours of training on corporate governance and other aspects during the year ended 31 August 2025. The primary contact person of Ms. Chan Yin Wah in the Company is Mr. Tan Li, the joint company secretary of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The risk management and internal control 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. The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control system and reviewing their effectiveness. The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Review of the Group's internal controls covering major financial, operational and compliance controls, ESG risks, as well as risk management functions. The controls built into the risk management system are intended to manage significant risks in the Group's business.

The Board reviews the risk management and internal control systems of the Company every year, and is primarily in charge of managing the overall risks of our Group. Significant business decision that involves material risk exposures, such as expansion of the school network into new geographic areas and to enter into cooperative business relationships with third parties to establish new schools, are subject to assessment and approval of the Board.

The Audit Committee is delegated with the responsibility to review the financial controls, risk management and internal control systems of the Group, to consider the major investigation findings on risk management and internal control matters and the response of the management to such findings. The Audit Committee also reviews the external independent auditor's management letter, any material query raised by the auditor about accounting records, financial accounts or systems of control and management's response. The Audit Committee reports to the Board on the matters considered by the Audit Committee and its recommendations to the Board.

The Company also has an internal audit function which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the risk management and internal control systems of the Group and reports their findings to the Audit Committee and the Board. During the Reporting Period, the Company's internal audit department provided independent assurance as to the adequacy and effectiveness of the Company's risk management and internal control systems.

The Group's internal control system includes a well-established organizational structure with clearly defined lines of responsibility and authority. Each of our schools is managed on a day-to-day basis by its principal, who is assisted by several vice principals responsible for one or more specific aspects of our schools' operations. The board of directors of each of our schools is responsible for the overall management and decisions on matters that are significant to each of our schools. The board of directors, principals and vice principals of our schools are required to manage the operation of the schools within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. They are also required to keep the executive Directors informed of the material development and to report on the implementation of the policies and strategies set by the Company on a regular basis. Each of our schools has also designated the relevant personnel who will be responsible for monitoring the ongoing compliance with the relevant PRC laws and regulations that govern the business operations and overseeing the implementation of any necessary measures.

Each of our schools has appointed counsellors to serve as a bridge between students and colleges. Counsellors are students' primary contact for questions and concerns they may encounter in their school life, who provide support and guidance to the students and educate the various rules formulated by our schools. Counsellors also regularly inspect the student dormitories to ensure orderly, safe, clean and healthy living conditions for our students and help students with social and behavioural issues. Our schools have also implemented complaint channels and established a task force comprising the principal and head of school departments with a view to understanding, responding and resolving complaints from students.

The Group has formulated internal control system manuals on corporate governance, operations, management, legal matters, finance and auditing setting out the internal approval and review procedures pursuant to which our employees are mandated to comply with. The Group has also established a set of policies and procedures for property acquisition and leasing arrangement and maintains insurance coverage which is in line with customary practice in the PRC education industry, including school liability insurance.

The Company is committed to building up effective internal control and risk management systems. The Company has appointed Giraffe Capital Limited as the compliance adviser to advise on the on-going compliance with the Listing Rules. Additional personnel with professional experience and qualifications will be hired where necessary to support the expansion of the Company's business operation. The Company will also engage external professional consultants to provide professional advice and guidance to our Group and to provide internal trainings to ensure our Directors and employees are kept up-to-date on any legal and regulatory developments.

The Group regulates the handling and dissemination of inside information according to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information.

As disclosed in the paragraph headed "Internal Control and Risk Management" in the "Business" section of the Prospectus, the Company engaged an independent internal control consultant (the "**Internal Control Consultant**") to conduct an assessment of our internal control system in September 2017. In response to the findings and recommendations of the Internal Control Consultant, the Company performed remedial actions prior to the Listing.

During the year ended 31 August 2025, the Board has conducted a review on the effectiveness of the risk management and internal control systems of the Group and considered the systems to be effective. Such review covered aspects including financial, operational and compliance controls and risk management functions. The Board will conduct a review on the effectiveness of that year's internal control and risk management systems of the Group at least once in each financial year. The Board will also continually evaluate the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

COMMUNICATION WITH SHAREHOLDERS

The Company believes that effective communication with Shareholders is essential to enhancing investor relations and investors' understanding on the Group's business performance and strategy. The Group also recognizes the transparency of its corporate information and the importance of timely disclosure of such information, which enables Shareholders and investors to make the best investment decisions.

The Company's website (www.hopeedu.com) acts as a communication platform with Shareholders and investors. The information and the latest developments of the Company's business development and operations and other information are available on this website for public inspection.

To facilitate communication between the Company and the investment community, the Company regularly conducts briefings and meetings with institutional investors and analysts as well as media interviews and roadshows, to provide the latest and comprehensive information of the Company.

During the Reporting Period, the Board reviewed the shareholder's communication policy and is of the view that (i) the policy currently adopted has provided channels for Shareholders and potential investors of effective communication and to fully express their opinions; and (ii) the implementation of the policy is effective as the Company has adhered to the said principles and measures above during the year.

SHAREHOLDERS' GENERAL MEETINGS

For the year ended 31 August 2025, the Company has held 1 general meeting.

SHAREHOLDERS' RIGHTS

Nominate a person for election as a Director

In accordance with Article 16.4 of the Articles of Association, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Shareholders who wish to nominate a candidate (the "**Candidate**") for election as a director at a general meeting shall submit a written notice (the "**Notice**") to the office of the Company in Hong Kong. The Notice shall: (i) contain the biographical details of the Candidate as required under Rule 13.51(2) of the Listing Rules; and (ii) be signed by the relevant Shareholders and by the Candidate, indicating his/her willingness to stand for election and consent to publish his/her individual information.

The period for lodgment of such notices will commence from the day after the despatch of the notice of the general meeting and end no later than seven (7) days prior to the date of such general meeting. In order to give Shareholders sufficient time to consider the proposal on the candidate for election as a director, Shareholders who wish to make such proposal shall submit the notice as soon as practicable.

CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be 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 of the Company specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

SUBMIT A PROPOSAL AT GENERAL MEETINGS

Shareholders who wish to submit a proposal may request the Company to convene a general meeting in accordance with the procedure set out in the preceding paragraph, to consider the matters specified in the request.

SEND ENQUIRIES TO THE BOARD

Shareholders may send any of comments or enquiries by e-mails (ir@hopeedu.com) to the Board or in writing to the principal place of business of the Company in Hong Kong.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Company adopted the third revised and restated Memorandum and Articles of Association of the Company on 24 February 2023. The Company has made no changes to the Company's Memorandum and Articles of Association since 24 February 2023 to the Reporting Period. The latest version of the Company's Memorandum and Articles of Association are available on the Company's website and HKEXnews.

ABOUT THE REPORT

Summary of the Report

This is the Environmental, Social and Governance (ESG) Report published by the XJ International Group for seven consecutive years. Based on the principles of materiality, quantitative, balance and consistency, the report provides a detailed disclosure of XJ International Group's practice and performance in areas such as environment, society and governance responsibility for the year.

Basis of Preparation

This report is prepared in accordance with Environmental, Social and Governance Reporting Code set out in Appendix C2 of the Listing Rules of the Hong Kong Stock Exchange.

Scope of Reporting

The materials published and statistically reported in the report are from 1 September 2024 to 31 August 2025. To enhance the ability of comparison and completeness, part of the content of this report covers the information of previous years.

Sources of Data and Assurance of Reliability

Sources of data used in the report include the relevant internal statistical statements, administrative documents and reports of the XJ International Group. The Board and senior management team have approved this report and ensured that the content of the report is free of any false information, misrepresentation or major omissions.

Access of the Report

The electronic version of this report is available on the official website of XJ International Holdings Co., Ltd. (www.hopeedu.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Contact Information

If you have any questions or feedback on this report, please feel free to contact us by:
Email: ir@hopeedu.com
Official website: www.hopeedu.com

STATEMENT FROM THE BOARD

XJ International recognizes the importance of ESG concepts to the Group's long-term and stable operation, and has established an ESG governance framework with complete structure, clear hierarchy, clear rights and responsibilities, and efficient operation, so as to promote the harmonious integration of XJ International with the environment and society, and create sustainable environmental, social and corporate values.

XJ International has established a three-level ESG governance structure comprising the decision-making, execution and implementation levels to ensure the effective implementation of relevant work. As the highest decision-making body for ESG issues of XJ International, the board of the Group is responsible for reviewing and approving the Group's ESG strategies, policies, objectives, risks and related matters. The Board has set up an ESG Working Group to implement the Group's ESG-related decisions, and actively promote the ESG work of the Group's departments and schools to ensure that the Group's ESG work can be undertaken and effectively implemented top-down.

Based on the external socio-economic environment and the Group's development strategy, XJ International attaches great importance to the expectations and demands of various stakeholders and regularly conducts stakeholder surveys, and the Board reviews ESG substantial issues, analyzes the Group's ESG risks and opportunities based on the results of the judgments, and determines annual important issues. This includes supervising the preparation of the annual ESG report and the final review thereof to ensure the accuracy and effectiveness of information disclosure.

This report discloses in detail the progress and effectiveness of the ESG works of XJ International for the year ended 31 August 2025, which has been reviewed and approved through a Board meeting on 28 November 2025.

ESG GOVERNANCE

ESG Governance System

XJ International always upholds its educational mission and actively shoulders its social responsibilities. While promoting steady business development, the Group continuously optimises its ESG management structure to systematically guide its sustainable development practices.

XJ International deeply integrates the philosophy of sustainable development into its corporate operations, building a three-level ESG governance system that covers all relevant departments and schools. This system features the Board as the highest decision-making body and the ESG Leading Group as the execution level. The Board is responsible for approving major ESG decisions, overall strategies, and annual reports. The ESG Leading Group implements Board resolutions and supervises the progress of ESG work at various implementation units. The implementation level handles specific execution and dynamic feedback to ensure ESG measures are effectively implemented. In the future, the Group will continuously optimise its governance structure and improve ESG management efficiency by enhancing collaboration efficiency and involvement across all levels.

Communication with Stakeholders

XJ International attaches great importance to the requests of internal and external stakeholders, including the government and regulatory bodies, investors/shareholders, faculty and staff, students/parents, suppliers/partners, and the public community. We always keep diversified communication channels open to broadly collect opinions and suggestions on sustainable development from all parties. We actively respond to relevant expectations and are committed to creating long-term, sustainable value for all stakeholders.

Communication with Stakeholders

Stakeholders	Expectations of the Group	Communication methods
Government and regulatory authorities	Compliance with national laws and regulations Operation and management in compliance with laws and regulations Fulfil its liability to tax in conformance with laws	Irregular inspection Communication with government Periodic report
Investors/shareholders	Stable investment returns Operation and management in compliance with regulations Sustainable development and risk management and control	General meeting Announcement, press release and periodic report Investor relations roadshow
Teachers/employees	Strengthen teachers' professional skills Employee benefits Occupational health and safety Promotion and development Improve the teaching/working environment	Teacher/employee training Internal teacher/employee evaluation Internal exchange forum WeChat/Email direct communication channel arranged by the management
Students/parents	Teaching quality Campus life and social practice School safety and physical and mental health guarantee Employment rate	Student satisfaction survey WeChat/Email direct communication channel arranged by the management Theme class meeting or lecture
Suppliers/partners	Fair competition and dealing Dealing with integrity Mutual benefit and long-term cooperation Product quality	Supplier site visit Supplier review Supplier interactive meeting

Stakeholders	Expectations of the Group	Communication methods
Public community	Integration with the community Public welfare projects Contribute to society	Community activity Public welfare activities Thanksgiving season activities Hotline

Materiality Issue Management

Stakeholders' judgment on the attention to and importance of ESG issues serves as the fundamental basis for the Group to identify material issues. This year, XJ International followed the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange and relevant requirements. Based on a review of the previous year's issues, and combined with the Group's latest developments and industry trends, we finally identified 25 key material issues.

Matrix on XJ International's Materiality Issue

ESG Materiality Issue

Level of Importance	Order	Issue
Highly important issues	1	Teaching quality
	2	Enriching teaching resources
	3	Strengthening teachers' professional skills
	4	Student safety, physical and mental health protection
	5	Professional skill training adapted to market demand
	6	Innovative systems and teaching courses
	7	Employee remuneration and benefits
Moderately important issues	8	Protecting employees' interest
	9	Student employment rate
	10	Risk management and internal control system
	11	Status of graduates
	12	Protecting privacy of students and parents
	13	Employee training and education
	14	Handling complaints from students and parents
	15	Student campus life and social practice
	16	Operational compliance and anti-corruption
	17	Green campus and low-carbon operation
	18	Waste management
	19	Improving supplier management system
	20	Commencing volunteer support
General important issues	21	Promoting cultural harmony
	22	Improving energy efficiency
	23	Combat climate change
	24	Promoting concepts of science popularization and environmental protection
	25	Water resources management

CORPORATE GOVERNANCE

XJ International regards compliant operations as the foundation of corporate development. We adhere to business ethics and integrity, build a comprehensive risk management and audit system, and continuously optimise the protection of intellectual property rights to ensure all operational activities meet compliance requirements in all aspects. Meanwhile, we prioritise information security and privacy protection to safeguard core data and trade secrets, supporting the Company's long-term steady development.

Anti-corruption

XJ International strictly complies with the Law Against Unfair Competition of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) and other laws and regulations. We uphold high standards of business ethics and resolutely resist any form of corruption. The Group formulated the Fundamental Standards for Operating Income and Expenditure Contracts (《經營收支合同基本規範》) to strengthen supervision over contract performance. At the same time, through institutional promotion and special training, the Company regulates the business conduct of Directors and employees, strengthens the construction of business ethics, enhances the anti-fraud awareness of all employees, and prevents the occurrence of illegal and non-compliant acts. In terms of integrity management for suppliers, the Group enters into an Integrity Cooperation Agreement (《廉潔合作協議》) with external partners to continuously promote the construction of an integrity system in the supply chain, thereby preventing improper conduct such as commercial bribery. During the Reporting Period, the Group was not involved in any corruption cases.

Risk Control and Operation with Compliance

The Group deeply integrates compliance management into its business processes, safeguarding development through policies and continuously optimising them based on actual conditions to ensure compliance by all staff throughout the process. Meanwhile, we actively benchmark against overseas laws and regulations, proactively identify and prevent international business risks, and comprehensively improve our level of compliant operations. Based on its actual operations and business development needs, XJ International has established an ESG risk governance structure with the Board as the highest decision-making body to systematically manage ESG risks. The Group regularly collaborates with external experts to identify, research, and analyze ESG risks and material issues.

To further standardize internal audit processes, enhance audit quality, and protect the legitimate rights and interests of investors, the Group has established a compliance management system covering corporate governance, market transactions, labor and employment, and other areas, in accordance with the Supervision Law of the People's Republic of China (《中華人民共和國監察法》), the Audit Law of the People's Republic of China (《中華人民共和國審計法》), and the Regulations of the National Audit Office on Internal Audit Work (《審計署關於內部審計工作的規定》). In actual operation, the Group designates its legal department as the primary compliance body, regularly assessing and updating compliance management documents to ensure alignment with the latest laws, regulations, and industry developments. Management personnel at all levels and employees shall actively participate in and strictly execute compliance requirements to ensure the effective implementation of the compliance management system.

Data Security and Privacy Protection

XJ International strictly complies the Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) and other laws and regulations. We continuously improve internal policies such as the School Roll and Academic Credentials Administrative Measures (《學籍學歷管理辦法》) to clarify information processing principles, management steps and methods, ensuring that the information of students and parents is properly protected at every step.

Intellectual Property Rights Protection

As a disseminator of knowledge, we strictly comply with the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Patent Law of the People' Republic of China (《中華人民共和國專利法》) and other laws and regulations. We fully respect and protect the intellectual property rights of ourselves and others, resolutely safeguarding the lawful rights and interests of all parties.

The Group continues to promote innovation, research and development, and intellectual property rights protection among students and faculty, and regularly reviews and compiles its schools' intellectual property rights achievements. For malicious infringements of the Group's intellectual property rights, we adopt various approaches, including communication and negotiation with the infringing parties, lodging complaints with the competent authorities, and initiating legal proceedings when necessary, to resolutely safeguard the legitimate rights and interests of our teachers, students, and the Group. We strictly comply with relevant national and local laws and regulations and intellectual property rights management rules, and require all departments and subordinate units of the Group to earnestly respect the copyrights and intellectual property rights of all external materials. At the same time, we insist on using authentic teaching and research materials and strictly adhere to intellectual property rights usage standards. During the Reporting Period, there were no intellectual property rights-related litigations or illegal and non-compliant activities.

CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY

In 2025, the issue of global climate change became increasingly severe, with governments, international organisations and various sectors of society gradually reaching a global consensus on addressing it. While promoting the construction of its own green campuses and sustainable operations, XJ International actively leveraged its education platform to disseminate the philosophy of ecological civilisation. We integrated climate awareness into our curriculum and campus culture, advocated for faculty and students to practice green and low-carbon lifestyles, helped enhance climate resilience across society, and contributed educational strength to the advancement of climate governance.

Tackling Climate Change

Climate change has become a major challenge to all mankind, and has aroused common concern globally. The Chinese government has proposed a "dual carbon" strategy to promote a comprehensive green transformation of economic and social development and contribute the wisdom and effort of the PRC to global climate governance. XJ International actively responds to domestic and international climate action initiatives, attaches great importance to the potential risks and opportunities of climate change on corporate operations, and systematically carries out relevant information disclosure work in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) to enhance transparency of climate governance and management effectiveness.

Environmental Management

XJ International has established and improved its environmental management system, clarified the environmental protection responsibilities of the Group, functional departments and schools, and promoted the standardized, systematized and streamlined development of environmental management. We diligently implemented environmental management measures, actively practiced the concept of green development, and continuously enhanced its environmental governance capabilities. During the Reporting Period, XJ International did not experience any significant environmental incidents.

Energy Management

The Group actively responds to the national green and low-carbon development strategy by improving its environmental management system, continuously promoting energy conservation and emission reduction and implementing various resource-saving measures, achieving continuous improvement in environmental performance, thereby contributing to the harmonious coexistence of humans and nature.

Energy Management

Power-saving Management	• Energy-saving management for lighting is implemented. We completely phase out high-energy-consuming lighting equipment, and promote the use of high-efficiency, energy-saving lamps. • In offices, classrooms, laboratories and other venues, the electricity usage principle of "no lights on when there is sufficient natural light, fewer lights on when there are few people, and turn off lights when leaving" is implemented. • Automatic sensor switches (e.g. sound-activated, light-activated) are installed in stairwells and other public areas to improve the energy efficiency of the lighting system. • Energy consumption and standby power consumption of office equipment are reduced. The activation and management of power-consuming equipment such as computers, printers, and photocopiers are regulated, to minimize unnecessary energy consumption and avoid equipment idling and prolonged standby.
Water-saving Management	• The daily maintenance and management of water equipment are strengthened, strict inspections for leaks, overflows, drips, and seepage in pipes are carried out, potential faults are promptly identified and eliminated, so as to improve water resource utilization efficiency. At the same time, there are plans to systematically upgrade facilities such as pantries, bathrooms, and traditional flush toilets to be water-efficient. • Teachers and students are guided to consciously develop water-saving habits, ensuring that taps are turned off immediately after use and eliminating the acts of leaving taps on. • The use of efficient water-saving methods such as spray irrigation and drip irrigation is prioritized for irrigation of plants on campus to reasonably control water consumption. • The supervision of water usage in campus infrastructure projects is strengthened to reduce waste of water resources and wastewater discharge during construction, thus minimizing the impact on the surrounding environment.

Three-waste Management

XJ International strictly abides by national and local pollutant emission regulations, clearly specifies the disposal methods and operating procedures for wastewater, exhaust gas, and solid waste, ensuring that all pollutants are treated in a standardized and compliant manner.

Waste Treatment

Wastewater Management	• Classified treatment: Wastewater generated on campus (such as sanitary wastewater and laboratory wastewater) is classified, collected and treated differently and it is ensured that the treatment methods are scientific and compliant. • Rainwater reuse: Rainwater is collected and stored systematically for non-drinking purposes such as irrigation and car washing, improving water resource utilization efficiency. • Pipe network maintenance: A regular inspection and dredging plan is implemented for the campus drainage pipe network system to prevent blockages and ensure smooth drainage.
Exhaust Gas Management	• Purification treatment: High-efficiency fume purification devices are installed in areas such as canteens, using mechanical filtration and other technologies to ensure that oil fumes meet emission standards. • Efficient emission: Additional fume hoods and dedicated fume exhaust pipes are installed for rapid collection and directional discharge of oil fumes, thereby improving indoor air quality. • System maintenance: Regular cleaning and maintenance of ventilation ducts are carried out to prevent safety hazards and avoid accumulation of oil fume.
Waste management	• Classification at source: Standardized classified collection containers are set up on campus, and teachers and students are guided to dispose of waste correctly, implementing waste classification at source. • Centralized collection and transportation: A fixed garbage collection station is established to uniformly manage the sorted domestic waste, which will then be transported and disposed of by professional units. • Green Procurement: The procurement and use of degradable tableware, packaging, and other environmentally friendly products in daily operations are prioritized to reduce waste generation at source. • Environmental education: Environmental education is continuously carried out to cultivate students' awareness of conservation and green living habits, reducing waste from the source. • Special waste management: Medical waste generated from the infirmary is subject to a strict registration system, and all of it is entrusted to qualified third-party organizations for specialized collection, transportation, and harmless disposal.

Green Operations

XJ International strictly abides by relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), and has formulated internal management systems such as the Management Measures on Fixed Assets (《固定資產管理辦法》) to continuously strengthen environmental management, timely update work requirements related to resource conservation, and systematically guide the low-carbon operation of subordinate schools. In terms of consumables management, the Group has established a unified centralized procurement mechanism, requiring all schools to carry out centralized procurement on a regular basis and update the List of Inventory of Low-value Consumables (《低值易耗品庫存盤點表》) in real time, so as to achieve resource optimization and intensive cost control. XJ International continues to promote comprehensive paperless operations, and requires all offices and subordinate schools to strictly implement supervision and inspection mechanisms, significantly reducing paper waste.

EDUCATIONAL RESPONSIBILITY

XJ International always places the fulfillment of its educational mission at its core. The Company has established a quality control system covering the entire teaching service process, strictly implementing national standards and internal regulations from curriculum design and teaching implementation to outcome assessment. The Group ensures the provision of high-quality educational services to students, aligned with the concept of sustainable development, by continuously improving its teaching evaluation mechanisms, strengthening the construction of teacher teams, and optimizing the allocation of educational resources.

Improving Teaching Quality

The Group regards teaching quality as the lifeline of its survival and development, and always adheres to the principle of quality first in operating its schools. We strictly comply with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), the Law of the People's Republic of China on Product Quality (《中華人民共和國產品品質法》), Regulations on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法實施條例》) and other laws and regulations, actively formulate and strictly follow systems such as the Evaluation and Assessment Index System for Colleges and Universities under XJ International Group on Online Teaching (《希教國際集團院校線上教學評估考核指標體系》) and the Evaluation and Assessment Index System for Colleges and Universities under XJ International Group on School Operation (《希教國際集團所屬院校辦學評估考核辦法及指標體系》), and fully implement the quality assurance system throughout all aspects of education and teaching to maintain excellent standards of teaching quality.

Under this framework, the Group has established a normalized monitoring and evaluation mechanism, regularly conducting teaching quality assurance inspections, benchmarking evaluations, and customer feedback mechanisms with its schools, and providing timely feedback to schools on identified issues to urge rectification. While consolidating fundamental quality, we actively build a teaching and research platform and organize diverse activities such as teaching competitions and case demonstrations to create an innovative atmosphere and stimulate teachers' teaching enthusiasm and creativity.

Awards Obtained by Teachers of XJ International

Level of Award	Prize of Award	Name of Award
National	Top Prize	Oriental Creative Star Teaching Innovation Award (東方創意之星教師教學創新大賽)
National	Gold Medal	Moscow International Salon of Inventions and Innovative Technologies "Archimedes" (莫斯科「阿基米德」國際發明與創新技術展覽會)
National	Gold Medal	Belt and Road Initiative and BRICS Skills Development and Technological Innovation Competition (「一帶一路」暨金磚國家技能發展與技術創新大賽)
National	First Prize	Manufacturing of Phosphogypsum Glass — Empowering High Quality Green Development of Phosphorus Chemical Industry (The 9th International Invention Competition in Canada) (第九屆加拿大iCAN國際發明及創新大賽)
National	First Prize	2025 FLTRP "Star of Teaching" Competition (2025年外研社「教學之星」大賽)
National	First Prize	National Business Practice Teaching Competition (全國商科實踐教學大賽)
National	First Prize	The 8th National Competition for Digital Creative Teaching Skills (第八屆全國數字創意教學技能大賽)
National	First Prize	China Creative Challenges Contest Teacher Category (中國好創意教師組)
National	First Prize	China Creative Challenges Contest (中國好創意暨全國數字藝術設計大賽)
National	First Prize	National Competition for Digital Creative Teaching Skills (全國數字創意教學技能大賽)

Improving Customer Services

The Group regards social and teacher and student satisfaction as a key performance indicator for measuring its operations. We have established a transparent and efficient feedback mechanism by building multi-channel feedback platforms such as Weibo and WeChat, actively incorporating opinions from students, parents, and all sectors of society. To respond quickly to demand, the Group has adopted a rapid problem-handling mechanism internally to quickly identify responsible units and continuously follow up at the Group level. After the responsible unit completes the handling, the Group reviews the handling results and promptly follows up on the satisfaction with the handling, in order to continuously improve service standards and deepen customer relationships.

Enriching Educational Resources

To enrich education resources and build a smart education ecosystem, the Group continues to strengthen the construction of internal software and hardware facilities, and has built new major practical training units covering cutting-edge fields such as robotics and new energy technologies. At the same time, we actively engage in multi-faceted exchanges to enhance connections with overseas universities and industries. Among them: INTI International University in Malaysia jumped 7 places to 509th globally (122nd in Asia) in the QS World University Rankings 2026; Shinawatra University ranked 250th in the QS Asia University Rankings 2026.

In terms of industry-education integration, the schools under the Group commenced deep school-enterprise cooperation with quality enterprises such as CALB Group Co., Ltd. to promote the coordinated advancement of talent cultivation and industrial innovation. The average employment rate of graduates from all schools steadily increased compared to the previous year, and Yinchuan University of Energy won the first prize in the employment assessment for colleges and universities in Ningxia Autonomous Region.

Students' Potential Stimulation

The Group considers stimulating students' inner potential as an important responsibility of education. We formulated systems such as the Guiding Opinions on Encouraging Schools under the Group to Organize All Types of Competitions (《關於鼓勵集團院校開展各類競賽活動的指導意見》) and the Incentive Measures for Schools under the Group to Organize All Types of Competitions (《關於集團院校開展各類競賽活動獎勵辦法》), to encourage students to participate in various competitions.

Under the guarantee of the systems, we uphold the concept of "promoting learning through competitions, promoting teaching through competitions, and promoting development through competitions," actively participating in and organizing various types of competitions, providing a platform for teachers and students to practice and discover their potential. Students broaden their horizons, explore the depths of their potential, discover themselves, and gain more possibilities for growth in competitions.

Awards Obtained by Students of XJ International

Level of Award	Prize of Award	Name of Award
National	Top Prize	The 2nd National College Students' Diplomatic English Reading Competition (第二屆全國大學生外交英語閱讀大賽)
National	Gold Medal	2025 National Para Athletics Championships & Tokyo 2025 Deaflympics Selection Trials (2025年全國殘疾人田徑錦標賽暨東京聾奧會選拔賽)
National	First Prize	National Supply Chain Competition (全國供應鏈大賽)
National	First Prize	"Zhengda Cup" National University Student Market Research and Analysis Competition (「正大杯」全國大學生市場調查與分析大賽)
National	First Prize	"Lixin Cup" National Accounting Skills Competition (「立信杯」全國會計技能大賽)
National	First Prize	Oriental Design Award • National University Innovation Design Competition (東方設計獎全國高校創新設計大賽)
National	First Prize	International Advanced Robot & Simulation Technology Competition (國際先進機器人及仿真技術大賽)
National	First Prize	Accounting and Business Management Case Competition of the National College Business Elite Challenge (全國高校商業精英挑戰賽會計與商業管理案例競賽)
National	First Prize	Contemporary Cup National Preschool Teachers Professional Skills Competition Painting Category (當代杯全國幼兒教師職業技能大賽繪畫組)
National	First Prize	International University BIM Graduation Design Innovation Competition (國際高校BIM畢業設計創新大賽)

Level of Award	Prize of Award	Name of Award
National	First Prize	China Creative Challenges Contest (中國好創意暨全國數字藝術設計大賽)
National	First Prize	National College Students Computer Application Ability and Digital Literacy Competition (全國大學生計算機應用能力與數字素養大賽)

Building a Green Campus

The Group places food safety management at the core of its campus operations, strictly adhering to the requirements of laws and regulations such as the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法》) and the Regulations on the Implementation of the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法實施條例》). We formulated and strictly implemented the Catering Management Regulations (《後勤餐飲管理辦法》) establishing a full-process food safety control system covering procurement, storage, processing, sample retention, and personnel management. This system clarifies specific regulations such as supplier qualification verification, food procurement ledgers, classified storage standards, a 48-hour sample retention system, and certified employment for personnel. During the Reporting Period, no major food safety incidents occurred in any campus, effectively ensuring the dietary safety of teachers and students.

While establishing an all-round safety defense line for teachers and students' diet, the Group continuously improves the campus comprehensive security system. In accordance with regulations such as the Fire Control Law of the People's Republic of China (《中華人民共和國消防法》) and the Provisions on the Administration of Fire Safety at Higher Academic Institutions (《高等學校消防安全管理規定》), the Group actively formulates systems such as the College Fire Management System (《學院消防管理制度》) and the Fire Control Room Management System (《消防控制室管理制度》), and establishes a campus safety and prevention and control system supported by a safety leading group. We deploy security facilities through systematic arrangements, conduct regular risk assessments, and organize fire safety drills and safety education courses, forming a protection network that combines human defense, physical defense, and technical defense. During the Reporting Period, all campuses passed the comprehensive fire safety inspection, and no major safety incidents occurred.

The Group attaches great importance to health protection of teachers and students, and has formulated the College Public Health Emergency Contingency Plan (《學院突發公共衛生事件應急預案》), and the Public Health Emergency Contingency Regulations (《突發公共衛生事件應急條例》), among other systems. It has also established campus infirmaries to standardize health management and emergency response mechanisms. At the same time, we have established a comprehensive health support system covering both physical and mental health through measures such as allocating professional medical resources, establishing student health records, conducting health check-ups and special lectures, and providing mental health counseling services.

SOCIAL RESPONSIBILITIES

XJ International regards fulfilling social responsibility as a core component of its corporate development. We integrate our social responsibility goals into all aspects of our corporate operations, and always focus on our commitments to employees, partners, and the community, striving to achieve common progress between the enterprise and society.

Safeguarding Employee Development

XJ International regards employees as its most valuable asset and is committed to building a comprehensive employee development system. We strictly abide by national labor laws and regulations, establish sound mechanisms for employee rights protection, health and safety, and career development, and create a diverse and equitable working environment for employees to achieve common growth between employees and the enterprise.

Employee Employment

XJ International is committed to providing fair and inclusive employment opportunities and protecting the basic rights and interests of employees. The Group strictly abides by the requirements of laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Regulations on Work-Related Injury Management (《工傷管理條例》). It has also formulated systems such as the Administrative Measures on Labor and Labor Contracts and Social Insurance (《勞動和勞動合同和社會保險管理辦法》) and the Administrative Measures on Employee Recruitment (《員工招聘管理辦法》), to clearly regulate recruitment processes and employment standards, and to ensure lawful and compliant employment through establishing a standardized background check mechanism and a comprehensive labor contract system. We always adhere to the principle of equality in the employment process, strictly prohibit any form of discrimination and harassment, and firmly eliminate child labor and forced labor. During the Reporting Period, the labor contract signing rate of the Group's employees reached 100%.

Safeguarding Employee Rights and Interests

The Group strictly abides by the Implementing Measures for Paid Annual Leave for Employees (《企業職工帶薪年休假實施辦法》) and other relevant laws and regulations, and has formulated systems such as the Headquarters Administrative Measures on Remuneration (《總部薪酬管理辦法》), the Remuneration Reform Plan (《薪酬改革方案》), and the Employee Remuneration Management Measures (《員工薪資管理辦法》), implementing a remuneration distribution mechanism that is based on position value and performance-oriented. Under an open and fair remuneration system, we continuously improve our leave system and provide employees with multiple protections such as annual health check-ups and commercial insurance, striving to create a safe and excellent working environment for our employees. During the Reporting Period, the Group's social insurance coverage rate reached 100%, and no labor disputes occurred.

Employee Health and Safety

The Group regards safeguarding employee health and safety as an important foundation for its operational management. We strictly abide by national safe production and occupational health-related laws and regulations, such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Regulations on Work-Related Injury Management (《工傷管理條例》), and actively formulate workplace safety management policies. Occupational health and safety of employees are ensured through systematic measures such as regular safety education and training, organizing health check-ups, and providing professional protective facilities.

Care for Employees

XJ International attaches great importance to employee care, strictly abides by the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and relevant policy requirements, and has formulated management systems such as the Employee Welfare System for the Headquarters and Subsidiaries of the XJ International Holdings Co., Ltd. (《希教國際控股有限公司總部及所屬公司員工福利制度》). The Group has established a comprehensive employee care system, which fully focuses on employees' physical and mental health and development needs by providing diversified welfare subsidies, organizing cultural and sports activities, and establishing a feedback mechanism. At the same time, we regularly organize activities such as festive care, health check-ups, and cultural and sports competitions to create a relaxed and pleasant working atmosphere for employees.

Staff Development and Training

XJ International attaches great importance to the career development of employees and has established a systematic career development system. The Group combines remuneration with qualification standards and establishes a dual-channel mechanism for career development, in accordance with the Administrative Measures on Performance Incentives and Assessment of School Operations (《院校業務工作激勵考核管理方法》) and other systems. We effectively open up career growth channels for employees by implementing projects such as professional title promotion coaching and academic advancement programs. The faculty structure continued to be optimized. The Group focuses on the construction of teacher ethics and style, creating a positive teaching atmosphere by holding seminars for teachers and promoting exemplary cases of "good teacher in four areas". At the same time, we have established a dynamic feedback mechanism to regularly collect employee opinions and optimize policies and systems, so as to achieve common growth with our employees.

The Group is committed to building a professional team of teachers and continuously improving its training system. We have established a tiered and classified training system by formulating systems such as the Implementing Measures on Standardized Training Program (《規範化培訓工作的實施辦法》) and the Training System of Teacher Posts (《教師崗位培訓制度》). At the same time, the Group actively carried out training activities such as academic exchanges and professional skills competitions to continuously enhance the professional capabilities of teachers. During the Reporting Period, we provided teacher training, achieving an employee training coverage rate of 87.3%.

SUPPLY CHAIN MANAGEMENT

XJ International deeply integrates compliance and sustainability into supply chain management. Through full life cycle supply chain management, we systematically improve supply chain quality and stability. While consolidating its operational foundation, the Group embeds ESG requirements into all aspects of supplier evaluation and collaboration, promoting the construction of a responsible and sustainable supply chain ecosystem.

Supplier Management

XJ International regards supplier management as a key aspect in ensuring operational quality and is committed to building a standardized and efficient supply chain system. The Group strictly abides by the Bidding Law of the People's Republic of China (《中華人民共和國招投標法》) and other laws and regulations, and has formulated the Procurement Contracts System (《採購合同制度》) and the Supplier Management System (《供應商管理制度》), which clearly define the requirements for the full life cycle management of suppliers. We have established a complete process covering supplier entry, daily management, performance assessment, and exit, and realized classified management through an information platform to ensure compliant and transparent procurement activities. In the entry process, the Group conducts a comprehensive evaluation of supplier qualifications, service capabilities, and compliance through tools such as the Supplier Review List (《供應商審查表》) and Supplier Appraisal List (《供應商評鑒表》), ensuring controllable quality at the source. At the same time, the Group regularly conducts supplier qualification investigations and certifications to ensure stable and efficient supply levels.

The Group continuously optimizes its management methods and requires its subordinate units to continuously track and evaluate suppliers based on product quality, delivery timeliness, service responsiveness, and other dimensions. For underperforming suppliers, we encourage improvement through communication, rectification, and reward and punishment measures. For those who seriously fail to meet requirements, the exit mechanism will be activated.

XJ International Supplier Distribution

Number of suppliers by geographical region	Quantity
Number of suppliers in Sichuan Province	76
Number of suppliers in Guizhou Province	30
Number of suppliers in Shanxi Province	17
Number of suppliers in Ningxia Autonomous Region	44
Number of suppliers in Jiangsu Province	16
Number of suppliers in Henan Province	10
Number of suppliers in other regions in Mainland China (excluding Sichuan, Guizhou, Shanxi, Ningxia Autonomous Region, Jiangsu and Henan)	19
Number of suppliers in Hong Kong, Macau, and Taiwan	0
Number of suppliers overseas	0
Total	212

Supplier ESG Management

XJ International encourages suppliers to continuously improve ESG performance and jointly practice social responsibility. We actively promote the sustainable development of the supply chain, deeply integrating environmental, social, and governance factors into the supplier management process. In supplier entry and cooperation, the Group focuses on their performance in areas such as labor rights protection, business ethics compliance, and environmental risk management and control, and institutionalizes and standardizes ESG requirements through systems such as the Supplier Review List (《供應商審查表》) and Supplier Appraisal List (《供應商評鑒表》).

In management practice, the Group conducts quarterly investigations and certifications on suppliers' qualifications, performance capabilities, adverse records, and ESG performance, and incorporates the results into the supplier rating system. We guide suppliers to reduce environmental and social risks through training, communication, and performance feedback. During the Reporting Period, the Group did not experience any material risk events caused by supplier violations.

COMMUNITY SUPPORT

XJ International incorporates community support into its corporate sustainable development strategy, systematically carrying out volunteer support and cultural integration work. Based on clearly defined scopes of community services, the Group has established a standardized management mechanism and resource assurance system to effectively promote the synergistic development of the enterprise and society.

Carrying Out Volunteer Support

XJ International upholds the concept of giving back to society and incorporates volunteer support into its corporate sustainable development strategy. We are committed to fulfilling our corporate social responsibility, promoting the standardization and normalization of volunteer activities, and giving back to society with practical actions. During the Reporting Period, the Group gathered its employees to participate in volunteer projects such as fire safety promotion, community environmental sanitation, and student support.

Promoting Cultural Integration

We are committed to inheriting and promoting excellent traditional Chinese culture both on and off campus. The Group integrates the inheritance of excellent traditional Chinese culture into the education system and combines it with campus activities, encouraging students to perceive, learn, and pass on excellent traditional culture through hands-on experience. These systematic initiatives deeply integrate cultural inheritance into educational practices, significantly enhancing students' understanding and identification with Chinese culture through institutionalized activity arrangements and curriculum design.

APPENDIX I: TABLE OF KEY DATA FOR 2025

ESG Indicators	Unit	2025
A Environment		
A1 Emissions		
A1.2 Total greenhouse gas emissions[1] and intensity		
Direct greenhouse gas emissions (Scope 1)	Tonne of CO_2 equivalent	3,720.37
Indirect greenhouse gas emissions (Scope 2)	Tonne of CO_2 equivalent	48,678.72
Total greenhouse gas emissions	Tonne of CO_2 equivalent	52,399.09
Intensity of greenhouse gas	Tonne of CO_2 equivalent per RMB1 million of revenue	13.23
A1.3 Hazardous waste produced		
Total amount of hazardous waste	Tonne	3.32
Intensity of hazardous waste	Tonne per RMB1 million of revenue	0.0008
A1.4 Non-hazardous waste produced		
Total amount of non-hazardous waste	Tonne	28,711.48
Intensity of non-hazardous waste	Tonne per RMB1 million of revenue	7.2497
A2 Use of Resources		
A2.1 Total energy consumption and intensity		
Total energy consumption[2]	Tonne of standard coal	12,585.57
Intensity of energy consumption	Tonne of standard coal per RMB1 million of revenue	3.18
Gasoline consumption	Tonne	0
Diesel consumption	Tonne	0
Natural gas consumption	m^3	1,720,652.00
Pipeline gas consumption	m^3	0

1 Note: Direct greenhouse gas emissions (Scope 1) are calculated based on the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of 24 Industries in China (《中國24個行業溫室氣體排放核算方法與報告指南》) issued by the Development and Reform Commission of the State Council, and are calculated based on the consumption of gasoline, diesel, natural gas and pipeline gas, which are the main energy consumption categories in the operation; while indirect greenhouse gas emissions (Scope 2) are calculated based on the Notice on the Key Work of Enterprise Greenhouse Gas Emissions Reporting Management in 2022 (《關於做好2022年企業溫室氣體排放報告管理相關重點工作的通知》), which is derived from the conversion of outsourced electricity;

2 Note: The total energy consumption is calculated based on GBT2589–2020 General Rules for Calculation of the Comprehensive Energy Consumption (《GBT2589-2020 綜合能耗計算通則》).

ESG Indicators	Unit	2025
A2.2 Water consumption and intensity		
Office water consumption	Ten thousand tonnes	378.28
Intensity of water consumption	Tonne per RMB1 million of revenue	955.17
B Social		
B1 Employment		
By gender		
Male	%	34.4%
Female	%	65.6%
By age group		
Below 30 years old	%	37.8%
30–50 years old	%	53.7%
Over 50 years old	%	8.5%
By geographical region		
Sichuan Province	%	29.9%
Guizhou Province	%	11.8%
Shanxi Province	%	0.7%
Ningxia Autonomous Region	%	6.1%
Jiangsu Province	%	3.8%
Henan Province	%	1.0%
Other regions in Mainland China (excluding Sichuan, Guizhou, Shanxi, Ningxia Autonomous Region, Jiangsu and Henan)	%	33.0%
Hong Kong, Macau and Taiwan	%	0.0%
Overseas	%	13.7%
B3 Development and Training		
Employees with training by gender and employee category		
Employees covered in training	%	87.3%
By gender		
Male employees trained	%	28.8%
Female employees trained	%	58.5%
By employee category		
Teachers trained	%	64.4%
Administrative and logistical employees trained	%	22.9%

ESG Indicators	Unit	2025
B5 Supply Chain Management		
Number of suppliers by region		
Regional distribution of suppliers		
Number of suppliers in Sichuan Province	Company	76
Number of suppliers in Guizhou Province	Company	30
Number of Suppliers in Shanxi Province	Company	17
Number of suppliers in Ningxia Autonomous Region	Company	44
Number of suppliers in Jiangsu Province	Company	16
Number of suppliers in Henan Province	Company	10
Number of suppliers in other regions in Mainland China (except Sichuan, Guizhou, Shanxi, Ningxia Autonomous Region, Jiangsu and Henan)	Company	19
Number of suppliers in Hong Kong, Macau, and Taiwan	Company	0
Number of suppliers overseas	Company	0

APPENDIX II: INDEX TO ESG INDICATORS

ESG KPI	Guidance Requirements		Chapter/statement of the Report
A1: Emissions	General disclosure		CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Three-waste Management
	A1.1	The types of emissions and respective emissions data.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	A1.2	Total greenhouse gas emissions and, where appropriate, intensity.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	A1.5	Description of measures to reduce emissions and the achieved results.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Three-waste Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, measures to reduce production of wastes and the achieved results.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Three-waste Management
A2: Use of Resources	General disclosure		CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Energy Management
	A2.1	Direct and/or indirect energy consumption by type in total and, where appropriate, intensity.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	A2.2	Water consumption in total and, where appropriate, intensity.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	A2.3	Description of energy use efficiency plan and the achieved results.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Energy Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, the plan to increase water efficiency and the achieved results.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Energy Management
	A2.5	Total packaging material used for finished products and with proportion per unit produced.	Not applicable. Packaging materials are not used in the Company's operations.

ESG KPI	Guidance Requirements	Chapter/statement of the Report
A3: The Environment and Natural Resources	General disclosure	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Green Operations
	A3.1 Description of the significant impacts of operating activities on the environment and natural resources and the actions taken to manage such impacts.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Green Operations
A4: Climate Change	General disclosure Policies on identification of and response to significant climate-related issues which have impacted, and those which may impact, the issuer.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Tackling Climate Change
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	CLIMATE ACTION AND ENVIRONMENTAL RESPONSIBILITY — Tackling Climate Change
B1: Employment	General disclosure	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development — Employee Employment
	B1.1 Total workforce by gender, employment type, age group and geographical region.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	B1.2 Employee turnover rate by gender, age group and geographical region.	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development
B2: Health and Safety	General disclosure	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development — Employee Health and Safety
	B2.1 Number and rate of work-related fatalities.	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development
	B2.2 Lost days due to work injury.	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development

ESG KPI	Guidance Requirements		Chapter/statement of the Report
B3: Development and Training	General disclosure		SOCIAL RESPONSIBILITIES — Safeguarding Employee Development — Staff Development and Training
	B3.1	The percentage of employees trained by gender and employee category.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	B3.2	The average training hours completed per employee by gender and employee category.	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development
B4: Labor Standards	General disclosure		SOCIAL RESPONSIBILITIES — Safeguarding Employee Development — Employee Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development — Employee Employment
	B4.2	Description of steps taken to eliminate practices of violation when discovered.	SOCIAL RESPONSIBILITIES — Safeguarding Employee Development — Employee Employment
B5: Supply Chain Management	General disclosure		SOCIAL RESPONSIBILITIES — SUPPLY CHAIN MANAGEMENT
	B5.1	Number of suppliers by geographical region.	APPENDIX I: TABLE OF KEY DATA FOR 2025
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SOCIAL RESPONSIBILITIES — SUPPLY CHAIN MANAGEMENT

ESG KPI	Guidance Requirements	Chapter/statement of the Report
B6: Product Responsibility	General disclosure	EDUCATIONAL RESPONSIBILITY
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not involved
	B6.2 Number of products and service related complaints received and how they are dealt with.	EDUCATIONAL RESPONSIBILITY — Improving Teaching Quality
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Not involved
	B6.4 Description of quality assurance process and recall procedures.	EDUCATIONAL RESPONSIBILITY — Improving Teaching Quality
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Not involved
B7: Anti-corruption	General disclosure	CORPORATE GOVERNANCE — Anti-corruption
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	CORPORATE GOVERNANCE — Anti-corruption
	B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	CORPORATE GOVERNANCE — Anti-corruption
B8: Community Investment	General disclosure	SOCIAL RESPONSIBILITIES — COMMUNITY SUPPORT
	B8.1 Focus areas of contribution.	SOCIAL RESPONSIBILITIES — COMMUNITY SUPPORT
	B8.2 Resources contributed to the focus area.	SOCIAL RESPONSIBILITIES — COMMUNITY SUPPORT

INDEPENDENT AUDITOR'S REPORT

To the shareholders of XJ International Holdings Co., Ltd.
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of XJ International Holdings Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 128, which comprise the consolidated statement of financial position as at 31 August 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including material accounting policy information.

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 as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and an intangible asset with an indefinite useful life	
We identified the impairment assessments of goodwill and an intangible asset with an indefinite useful life of certain cash-generating units ("CGUs") as at 31 August 2025 as a key audit matter due to the complexity and significant estimates involved in the assessment process by the management of the Group. The Group recorded significant amounts of goodwill and the intangible asset with an indefinite useful life of approximately RMB1,920 million and RMB162 million, respectively, as at 31 August 2025, as disclosed in note 18 and note 17 to the financial statements. As disclosed in note 18 to the financial statements, for the purpose of assessing the impairment of goodwill and the intangible asset with an indefinite useful life as at 31 August 2025, recoverable amounts of the respective CGUs have been determined by the management of the Group based on the calculation of value in use, using financial budgets with reference to the relevant CGUs' past performances and management's expectations for the market development, where the key assumptions and estimates included the discount rates, growth rates for student numbers, tuition fees, and cost of revenue in the value in use calculations. Based on the management's assessment, an aggregate amount of impairment losses of RMB559 million against goodwill of certain CGUs has been recognised for the year ended 31 August 2025.	Our audit procedures included the following: • Evaluated whether the CGUs, to which goodwill or the intangible asset with an indefinite useful life have been allocated for impairment testing purposes, as determined by management are in accordance with IAS 36; • Evaluated management's future cash flow forecasts, and the process by which they were drawn up; • Assessed the actual performance during the year ended 31 August 2025 against the prior year budgets to evaluate historical forecasting accuracy; • Analysed the key assumptions adopted by management, such as the growth rates of the number of students, tuition and boarding fees and expenses during the forecast periods by checking the historical trend and industry index; • Performed sensitivity analyses on the forecasts; • Involved our internal valuation specialists to assist us in evaluating the methodologies and key valuation parameters used by the Group and the discount rate used by comparing it to the industry index; and • Evaluated the adequacy of the Group's disclosures regarding the impairment testing of goodwill and the intangible asset with an indefinite useful life.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Recoverability of loans to third parties	
As at 31 August 2025, the principal and interest receivables (the "Debts") with gross aggregate amount of RMB307 million arising from loans to third parties ("Debtors") were past due. Management engaged independent qualified valuer to perform expected credit loss ("ECL") analysis and concluded that an ECL allowance of RMB198 million should be recognised as at 31 August 2025. The impairment assessment for the Debts is a complex process involving significant management judgements, including their evaluation of the Debtor's financial condition and the cash flows that the Group expects to receive from the sale or realisation of collaterals held by the Group to safeguard the Debts. The accounting estimates and disclosures related to the impairment assessment of the Debts are included in note 2.4, note 3, note 20 and note 39 to financial statements.	The audit procedures included the following: • Examined the Group's assessment of the third parties' financial condition and ability to repay the Debts; • Discussed with management regarding the Group's actions to safeguard the Debts; • Inspected agreements and supporting documentation to confirm the existence and legal right to the collateral held by the Group; • Evaluated the competence, capabilities and objectivity of the independent valuer engaged by management in assessing the fair value of the collaterals and the expected discounted cash flows from the collaterals; • Involved our internal valuation specialists to assist us in evaluating the methodologies and key valuation parameters used by the independent valuer in determining the fair value of the collateral and the expected future cash flows from the collaterals; and • Evaluated the adequacy of the Group's disclosures regarding the impairment assessment for the Debts and the Group's exposure to credit risk in the financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS 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 as issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- 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.

- 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 Hooi Wan Yee (practising certificate number: P07668).

Ernst & Young
Certified Public Accountants

Hong Kong
28 November 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	**3,960,345**	3,732,066
Cost of sales		**(2,292,541)**	(2,158,501)
Gross profit		**1,667,804**	1,573,565
Other income and gains	5	**391,372**	274,836
Selling expenses		**(327,351)**	(241,848)
Administrative expenses		**(613,897)**	(600,546)
Impairment losses on financial assets	7	**(27,773)**	(73,194)
Other expenses		**(916,019)**	(100,038)
Finance costs	6	**(225,677)**	(289,412)
Fair value gains on convertible bonds and financial assets at fair value through profit or loss, net	5	**541,065**	186,516
Share of profits of a joint venture		**—**	27,182
PROFIT BEFORE TAX	7	**489,524**	757,061
Income tax expense	10	**(102,849)**	(143,974)
PROFIT FOR THE YEAR		**386,675**	613,087
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**45,071**	61,220
Total comprehensive income for the year		**431,746**	674,307
Profit attributable to:			
Owners of the Company		**384,777**	609,562
Non-controlling interests		**1,898**	3,525
		386,675	613,087

	Notes	2025 RMB'000	2024 RMB'000
Total comprehensive income attributable to:			
Owners of the Company		**429,886**	671,069
Non-controlling interests		**1,860**	3,238
		431,746	674,307
Earnings/(losses) per share attributable to ordinary equity holders of the Company:	12		
Basic		**RMB4.68 cents**	RMB7.41 cents
Diluted		**RMB(2.56) cents**	RMB4.54 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 August 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	13	**10,432,989**	11,603,331
Right-of-use assets	14(a)	**1,628,358**	1,926,672
Interests in land held for property development	15	**684,347**	681,556
Investment properties	16	**258,739**	260,414
Goodwill	18	**1,361,409**	2,051,684
Other intangible assets	17	**1,224,485**	1,250,705
Prepayments, deposits and other receivables	20	**215,436**	430,281
Pledged and restricted deposits	23	**—**	7,520
Deferred tax assets	29	**41,453**	33,168
Contract cost assets	21	**59,216**	17,014
Total non-current assets		**15,906,432**	18,262,345
CURRENT ASSETS			
Inventories		**22,000**	—
Trade receivables	19	**99,625**	83,683
Prepayments, deposits and other receivables	20	**979,689**	814,059
Amounts due from related parties	35(c)	**6,949**	4,817
Contract cost assets	21	**66,818**	23,373
Assets classified as held for sale	22	**1,624,103**	—
Pledged and restricted deposits	23	**458,136**	543,935
Time deposits	23	**185,915**	—
Cash and cash equivalents	23	**2,647,537**	2,549,299
Total current assets		**6,090,772**	4,019,166

31 August 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
CURRENT LIABILITIES			
Contract liabilities	5	**2,093,243**	2,267,792
Trade payables	24	**48,082**	57,286
Other payables and accruals	25	**3,141,569**	2,662,982
Lease liabilities	14(b)	**36,936**	37,271
Deferred income	26	**69,877**	78,752
Convertible bonds	28	**1,174,115**	1,976,664
Interest-bearing bank and other borrowings	27	**1,389,198**	2,054,779
Amounts due to related parties	35(c)	**20,588**	67,175
Liabilities directly associated with the assets classified as held for sale	22	**598,610**	—
Dividends payable		**178**	550
Tax payable		**209,327**	204,409
Total current liabilities		**8,781,723**	9,407,660
NET CURRENT LIABILITIES	2.1	**(2,690,951)**	(5,388,494)
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,215,481**	12,873,851
NON-CURRENT LIABILITIES			
Other payables	25	**814,213**	809,818
Deferred income	26	**1,179,730**	1,511,201
Interest-bearing bank and other borrowings	27	**1,435,438**	1,182,582
Lease liabilities	14(b)	**75,974**	96,553
Deferred tax liabilities	29	**115,649**	114,648
Contract liabilities	5	**12,335**	4,559
Total non-current liabilities		**3,633,339**	3,719,361
NET ASSETS		**9,582,142**	9,154,490

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 August 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
EQUITY			
Equity attributable to owners of the Company			
Issued capital	30	**559**	559
Reserves	32	**9,583,608**	9,150,974
		9,584,167	9,151,533
Non-controlling interests		**(2,025)**	2,957
Total equity		**9,582,142**	9,154,490

Zhang Bing
Director

Wang Huiwu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2025

	Attributable to owners of the Company									
	Issued capital RMB'000 (note 30)	**Share premium*** RMB'000	**Capital reserve*** RMB'000 (note 32)	**Statutory surplus reserve*** RMB'000 (note 32)	**Share option reserve*** RMB'000 (note 31)	**Retained profits*** RMB'000	**Exchange fluctuation reserve*** RMB'000	**Total** RMB'000	**Non-controlling interests** RMB'000	**Total equity** RMB'000
At 31 August 2023 and 1 September 2023	559	5,131,685	598,468	666,496	136,986	1,937,186	(31,915)	8,439,465	269	8,439,734
Profit for the year	—	—	—	—	—	609,562	—	609,562	3,525	613,087
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	61,507	61,507	(287)	61,220
Total comprehensive income for the year	—	—	—	—	—	609,562	61,507	671,069	3,238	674,307
Equity-settled share options										
— 2023 Share Option	—	—	—	—	40,999	—	—	40,999	—	40,999
Dividends declared to non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	(550)	(550)
Transfer of share option reserve upon the forfeiture of share options	—	—	—	—	(6,217)	6,217	—	—	—	—
Transfer from retained profits	—	—	—	130,475	—	(130,475)	—	—	—	—
At 31 August 2024	559	5,131,685	598,468	796,971	171,768	2,422,490	29,592	9,151,533	2,957	9,154,490
At 31 August 2024 and 1 September 2024	**559**	**5,131,685**	**598,468**	**796,971**	**171,768**	**2,422,490**	**29,592**	**9,151,533**	**2,957**	**9,154,490**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**384,777**	**—**	**384,777**	**1,898**	**386,675**
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	**—**	**—**	**—**	**—**	**—**	**—**	**45,109**	**45,109**	**(38)**	**45,071**
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**—**	**384,777**	**45,109**	**429,886**	**1,860**	**431,746**
Disposal of subsidiaries with non-controlling interests	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(6,805)**	**(6,805)**
Equity-settled share options										
— 2024 Share Option	**—**	**—**	**—**	**—**	**2,748**	**—**	**—**	**2,748**	**—**	**2,748**
Dividends declared to non-controlling shareholders of subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(37)**	**(37)**
Transfer of share option reserve upon the forfeiture of share options	**—**	**—**	**—**	**—**	**(7,945)**	**7,945**	**—**	**—**	**—**	**—**
Transfer from retained profits	**—**	**—**	**—**	**110,448**	**—**	**(110,448)**	**—**	**—**	**—**	**—**
At 31 August 2025	**559**	**5,131,685**	**598,468**	**907,419**	**166,571**	**2,704,764**	**74,701**	**9,584,167**	**(2,025)**	**9,582,142**

* These reserve accounts comprise the consolidated reserves of RMB9,583,608,000 in the consolidated statement of financial position as at 31 August 2025 (31 August 2024: RMB9,150,974,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**489,524**	757,061
Adjustments for:			
Depreciation of items of property, plant and equipment	13	**485,283**	432,026
Depreciation of investment properties	16	**4,901**	5,613
Depreciation of right-of-use assets	14(a)	**73,685**	71,643
Depreciation of land held for property development	15	**11,951**	12,870
Amortisation of contract cost assets	21	**54,609**	29,888
Amortisation of other intangible assets	17	**42,941**	40,754
Deferred income released to profit or loss	26	**(86,346)**	(73,200)
Interest income	5	**(42,927)**	(32,939)
Finance costs	6	**225,677**	289,412
(Gain)/loss on disposal of items of long term assets, net	5, 7	**4,207**	(5,384)
(Gain)/loss on disposal of subsidiaries, net	33	**(166,660)**	5,472
Equity-settled share option expense		**2,748**	40,999
Share of profit of a joint venture		**—**	(27,182)
Expenses related to restructuring of convertible bonds		**238,033**	—
Fair value gains on convertible bonds, net	28	**(615,106)**	(186,516)
Fair value losses on financial assets at fair value through profit or loss		**74,041**	—
Impairment losses on financial assets	7	**27,773**	73,194
Impairment losses on goodwill		**558,810**	—
Impairment losses on land held for property development	7	**6,107**	43,752
Impairment losses on property, plant and equipment		**59,258**	—
Gain on lease modification	7	**(493)**	—
Foreign exchange (gain)/loss, net		**16,616**	(16,864)
		1,464,632	1,460,599
Increase in prepayments, deposits and other receivables		**(12,941)**	(4,079)
Decrease in trade receivables		**7,230**	23,062
Increase in contract cost assets		**(137,682)**	(53,003)
Decrease/(increase) in amounts due from related parties		**(2,132)**	25,609
Increase in contract liabilities		**53,087**	133,912
Increase/(decrease) in trade payables		**(9,286)**	7,555
Increase/(decrease) in amounts due to related parties		**2,125**	(287)
Increase in inventory		**(22,000)**	—
Decrease in interests in land held for property development		**31,698**	—
Increase/(decrease) in other payables and accruals		**122,072**	(33,181)
Decrease/(increase) of restricted cash		**(23,751)**	2,305
Receipt of government grants related to expense items		**19,318**	16,920

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash generated from operations		**1,492,370**	1,579,412
Bank interest received		**33,811**	26,636
Income tax paid		**(107,641)**	(116,468)
Net cash flows from operating activities		**1,418,540**	1,489,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(701,767)**	(1,149,399)
Prepaid land lease payments		**(88,810)**	(104,071)
Purchases of items of investment properties		**—**	(2,374)
Refund of prepaid land lease payments		**—**	77,732
Additions to other intangible assets		**(21,947)**	(45,906)
Additions to land held for property development		**(166,424)**	(2,459)
Equity investments:			
Payments for acquisition of subsidiaries in prior years		**(160,436)**	(191,822)
Payments for acquisition of a subsidiary during the year		**(2,656)**	—
Disposal of subsidiaries	33	**20,537**	193,010
Proceeds from disposal of a subsidiary in the prior year		**56,043**	—
Amount received from the potential purchasers of subsidiaries		**306,000**	—
Prepayments for an equity investment		**(66,781)**	(7,260)
Loans and interest income repaid by a joint venture		**—**	13,936
Loans and interest repaid by third parties		**75,880**	28,231
Receipt of government grants for property, plant and equipment		**902**	31,837
Proceeds from disposal of items of long-term assets		**5,347**	186,092
Increase in time deposits with original maturity of over three months		**(182,368)**	—
Net cash flows used in investing activities		**(926,480)**	(972,453)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank and other borrowings		**1,493,895**	2,333,298
Repayment of bank and other borrowings		**(1,694,212)**	(2,615,874)
Interest paid		**(176,581)**	(221,485)
Principal portion of lease payments		**(29,402)**	(28,751)
Interest portion of lease liabilities		**(8,066)**	(9,696)
Withdrawal/(placement) of restricted cash, pledged deposits and other deposits		**132,520**	(506,655)
Repurchase of convertible bonds	28	**(191,220)**	—
Payment of expense related to the restructuring of convertible bonds		**(104,570)**	—
Loans from third parties		**256,415**	222,340
Loans and interest repaid to third parties		**(121,651)**	(134,823)
Dividends paid		**(409)**	—
Loans provided by the buyer of the disposed subsidiaries		**345,900**	98,039
Loans from a related party		**—**	56,000
Repayment of loans from related parties		**—**	(56,514)
Net cash flows used in financing activities		**(97,381)**	(864,121)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**394,679**	(346,994)
Cash and cash equivalents at beginning of year		**2,549,299**	2,878,114
Effect of foreign exchange rate changes, net		**3,907**	18,179
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,947,885**	2,549,299
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the consolidated statement of financial position		**2,647,537**	2,549,299
Cash attributable to subsidiaries classified as held for sale		**300,348**	—
Cash and cash equivalents as stated in the consolidated statement of cash flows		**2,947,885**	2,549,299

1. CORPORATE AND GROUP INFORMATION

XJ International Holdings Co., Ltd. (the "Company") was incorporated in the Cayman Islands on 13 March 2017 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's principal place of business in Hong Kong is located at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.

The Company is an investment holding company. During the year ended 31 August 2025, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the provision of higher education and secondary vocational education services in the People's Republic of China (the "PRC"), Malaysia, Thailand and Hungary. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors of the Company (the "Directors"), the parent and the ultimate holding company of the Company is Hope Education Investment Limited ("Hope Education Investment"), which is incorporated in the British Virgin Islands.

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Entity/school name	Date and place of incorporation/ establishment and place of operations	Issued ordinary/ registered share capital	Principal activities
Directly owned by the Company:			
Mainland International Business Services Hong Kong Co., Ltd. 大陸國際商貿服務香港有限公司	10 March 2017 Hong Kong	Hong Kong Dollars ("HK$") HK$1	Investment holding
Indirectly owned by the Company:			
Horgos Tequ Mayflower Information Technology Co., Ltd. ("WFOE")(i) 霍爾果斯特驅五月花信息科技有限公司	19 January 2018 The PRC/Chinese Mainland	RMB50 million	Provision of technical management and consultancy services
Sichuan Hope Education Industry Group Limited ("Hope Education")(ii)(iii) 四川希望教育產業集團有限公司	12 January 2005 The PRC/Chinese Mainland	RMB52.5 million	Investment holding
Meishan Tequ Mayflower Information Technology (Group) Co., Ltd. ("Meishan Mayflower")(i) 眉山特驅五月花信息科技(集團)有限公司	7 December 2020 The PRC/Chinese Mainland	United State dollars ("US$") US$10 million	Investment holding
Chongqing Chaoyingfei Trading Co., Ltd.(iii) 重慶超營飛商貿有限公司	28 April 2021 The PRC/Chinese Mainland	RMB2 million	Sale of textbooks and dormitory bedding
Southwest Jiaotong University Hope College(ii) 西南交通大學希望學院	16 July 2009 The PRC/Chinese Mainland	RMB300 million	(a)

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Entity/school name	Date and place of incorporation/ establishment and place of operations	Issued ordinary/ registered share capita	Principal activities
Indirectly owned by the Company: (continued)			
College of Guizhou Qiannan Economics[(ii)] 貴州黔南經濟學院	18 January 2004 The PRC/Chinese Mainland	RMB50 million	(a)
Jinzhong College of Health (Formerly known as Jinci College of Shanxi Medical University)[(ii)(vii)] 晉中健康學院	17 June 2002 The PRC/Chinese Mainland	RMB180 million	(a)
Sichuan Vocational College of Culture & Communication[(ii)] 四川文化傳媒職業學院	22 September 2005 The PRC/Chinese Mainland	RMB20 million	(a)
Sichuan Tianyi College[(ii)] 民辦四川天一學院	14 March 1994 The PRC/Chinese Mainland	RMB23.3million	(a)
Guizhou Vocational Institute of Technology[(ii)] 貴州應用技術職業學院	12 June 2016 The PRC/Chinese Mainland	RMB20 million	(a)
Sichuan Hope Automotive Technician College[(ii)] 四川希望汽車技師學院	4 November 2016 The PRC/Chinese Mainland	RMB20 million	Provision of technician education services
Sichuan Hope Automotive Vocational College[(ii)] 四川希望汽車職業學院	24 June 2013 The PRC/Chinese Mainland	RMB20 million	(a)
Sichuan TOP IT Vocational Institute ("TOP Institute") 四川托普信息技術職業學院	22 April 2000 The PRC/Chinese Mainland	RMB5 million	(a)
Suzhou Top Institute of Information Technology ("Suzhou Top")[(ii)] 蘇州托普信息職業技術學院	2 July 2003 The PRC/Chinese Mainland	RMB5 million	(a)
Yinchuan University of Energy[(ii)] 銀川能源學院	24 August 2001 The PRC/Chinese Mainland	RMB191.3 million	(a)
Yinchuan Vocational School of Science and Technology[(ii)] 銀川科技職業學校	26 October 2017 The PRC/Chinese Mainland	Nil	Provision of secondary vocational education services

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Entity/school name	Date and place of incorporation/ establishment and place of operations	Issued ordinary/ registered share capital	Principal activities
Indirectly owned by the Company: (continued)			
Guizhou Qiannan College of Science and Technology ("College of Science and Technology")[ii] 貴州黔南科技學院	10 June 2015 The PRC/Chinese Mainland	RMB200 million	(a)
Jinken College of Technology ("Jinken College")[ii] 金肯職業技術學院	18 July 2000 The PRC/Chinese Mainland	RMB26 million	(a)
Pioneer College, Inner Mongolia University ("Pioneer College")[ii] 內蒙古大學創業學院	2 June 2008 The PRC/Chinese Mainland	RMB335.7 million	(a)
Xi'an Siyuan University ("Shaanxi University")[ii] 西安思源學院	13 May 2003 The PRC/Chinese Mainland	RMB190.8 million	(a)
Guizhou Applied Technology Technician College 貴州應用技術技師學院	17 April 2020 The PRC/Chinese Mainland	RMB5 million	Provision of secondary vocational education services
Chongqing Digital Industry Vocational and Technical College 重慶數字產業職業技術學院	10 November 2023 The PRC/Chinese Mainland	RMB20 million	(a)
Hope International (Malaysia) Sdn. Bhd.[iv]	9 March 2020 Malaysia	RM20,000	Investment holding
INTI International Education Sdn. Bhd. ("INTI International University")	28 December 1994 Malaysia	RM20 million	(a)
INTI Instruments (M) Sdn. Bhd. ("INTI International College Subang")	13 February 1995 Malaysia	RM20 million	(a)
INTI International College Penang Sdn. Bhd. ("INTI International College Penang")	6 March 2000 Malaysia	RM6 million	(a)
Global Advance Learning (Thailand) Company Limited[v]	17 March 2021 Thailand	THB100 thousand	Investment holding
Shinawatra University	27 December 1999 Thailand	THB2,500 million	(a)

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Entity/school name	Date and place of incorporation/ establishment and place of operations	Issued ordinary/ registered share capital	Principal activities
Indirectly owned by the Company: (continued)			
Wekerle International University (formerly known as Wekerle Sandor Business School)(vii)	25 November 2006 Hungary	Nil	(a)

Notes:

(a) Provision of higher education services

(i) WFOE and Meishan Mayflower are registered as wholly-foreign-owned enterprises under PRC law.

(ii) These entities and sponsoring schools are controlled through contractual arrangements ("Structured Contracts") and they are collectively referred to as the "Consolidated Affiliated Entities".

(iii) These subsidiaries are registered as domestic enterprises with limited liability under PRC law.

(iv) Hope International (Malaysia) Sdn. Bhd. was indirectly wholly-owned by the Company, of which 51% equity interests are held on trust by an independent third party for the Group as the beneficiary.

(v) Global Advance Learning (Thailand) Company Limited was indirectly wholly-owned by the Company, of which 26% effective equity interests are held on trust by independent third parties for the Group as the beneficiary.

(vi) As at 1 August 2025, Wekerle Sandor Business School changed its name to Wekerle International University.

(vii) As at 21 February 2025, Jinci College of Shanxi Medical University changed its name to Jinzhong College of Health.

The English names of certain companies or schools established in the PRC represent the best effort made by the management of the Company to directly translate the Chinese names as they have not registered any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for convertible bonds which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 August 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies except where adjustments are made for certain subsidiaries incorporated or established in the PRC, Thailand and Hungary to align their annual reporting year end to ensure the conformity with the Group's reporting period. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

Basis of consolidation *(continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

As at 31 August 2025, the Group recorded net current liabilities of approximately RMB2,690,951,000. Meanwhile, the Group had cash and cash equivalents of RMB2,647,537,000 as at 31 August 2025.

2. ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

Going concern *(continued)*

In view of the net current liability position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern after considering the following:

(i) The Group has sufficient resources to complete the restructuring of convertible bonds (the "Bonds") in September 2025 based on the amendment documents signed on 30 July 2025, and the Group redeemed all of the outstanding convertible bonds on 25 September 2025;

(ii) The Group has signed agreements for disposal of certain subsidiaries with aggregate disposal consideration of RMB2,912,560,000 of which RMB745,532,000 has been received during the year and will generate additional cash inflows according to the disposal consideration settlement schedule;

(iii) The Group has been actively seeking other alternative financing and borrowings to finance the settlement of the existing financial obligations and future operating and capital expenditures. As at 31 August 2025 and the date of approval for the consolidated financial statements, the Group had unutilised banking facilities of RMB549,281,000 and RMB442,124,000, respectively, and the Group has obtained new bank borrowings aggregated to RMB502,157,000 subsequent to the year ended 31 August 2025;

(iv) The Group is continuing to satisfy the requirements and negotiate with the guarantor of the medium term notes, which were issued by INTI Universal Holdings Sdn Bhd, a wholly-owned subsidiary of the Group, with principal amount of RM165,000,000 (equivalent to approximately RMB278,721,000) with maturity date on 2 November 2028, to avoid the acceleration of repayment; As at 7 November 2025, the guarantor informed the Group that all requirements are deemed completed; and

(v) The Group expects cash inflows from operations by providing education services to students, and is continuing to take active measures to control administrative costs and capital expenditures and negotiate with the vendors to manage payment schedules.

The Directors have reviewed the Group's cash flow projections prepared by management which cover a period of twelve months from 31 August 2025 and are satisfied that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES *(continued)*

2.2 Changes in accounting policies and disclosures *(continued)*

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 September 2023 and 2024 upon initial application of the amendments. As at 1 September 2023 and 2024, the Group had outstanding convertible bonds with carrying amounts of RMB2,183,887,000 and RMB1,976,664,000, respectively, with a maturity date of 2 March 2026. As at 1 September 2023, the Group classified the convertible bonds as current liabilities as the convertible bonds are redeemable at the option of the bondholders on 2 March 2024. Prior to the initial application of the amendments, the convertible bonds were classified as non-current liabilities as at 1 September 2024 as the early redemption option had not been properly exercised by bondholders on 2 March 2024. Upon initial application of the amendments, the convertible bonds were reclassified as current liabilities since the conversion option was not classified as equity and is exercisable on or after 12 April 2021 to the close of business on the seventh day prior to the maturity date of 2 March 2026 at the bondholders' options.

The adoption of the amendments did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, profit or loss, other comprehensive income and the consolidated statements of cash flows for the year ended 31 August 2025 and 2024.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19 and Amendments to IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to* IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective IFRS Accounting Standards *(continued)*

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective IFRS Accounting Standards *(continued)*

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective IFRS Accounting Standards *(continued)*

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual *Improvements to IFRS Accounting Standards — Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(continued)*

2.3 Issued but not yet effective IFRS Accounting Standards *(continued)*

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 Material accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Business combinations and goodwill *(continued)*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 August. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its convertible bonds and financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Fair value measurement *(continued)*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets, and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings	1.9% to 20%
Furniture and fixtures	9.7% to 20%
Motor vehicles	9.5% to 36.4%
Devices and equipment	9.7% to 33.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Property, plant and equipment and depreciation *(continued)*

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Interests in land held for property development

Interests in land held for property development are stated at the lower of cost and net realisable value and comprise construction costs, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Interests in land held for property development are classified as current assets unless the construction of the relevant property development project is expected to be completed beyond the normal operating cycle.

Investment properties

Investment property located in Malaysia represents interests in freehold land held for capital appreciation. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost and is not depreciated.

Investment properties located in the PRC represent interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost and depreciated on the straight-line basis over the useful lives of 22 to 58 years.

Investment properties are derecognised when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The Group's intangible asset with an indefinite useful life is a trade name, which is tested for impairment annually either individually or at the cash-generating unit level. Such intangible asset is not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Intangible assets (other than goodwill) *(continued)*

Software

Purchased software is stated at cost less any impairment losses and amortised on the straight-line basis over its estimated useful life of 2 to 10 years.

Licences to operate undergraduate institutions

Licences are granted by the Ministry of Education of the PRC to operate undergraduate institutions acquired in business combinations. These licences are recognised at fair value at the acquisition date and are amortised on the straight-line basis over their estimated useful lives of 35 to 50 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases *(continued)*

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land (Domestic — Chinese Mainland)	20 to 70 years
Leasehold land (Overseas — Malaysia)	80 to 900 years
Dormitories	2 to 12 years
School campuses	2 to 26 years
Equipment	4 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases *(continued)*

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group elected to present lease liabilities separately in the consolidated statement of financial position.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Leases *(continued)*

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of motor vehicles and office buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor — operating leases

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Impairment of financial assets *(continued)*

General approach (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

(i) significant financial difficulties of the debtor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments; or

(iii) likelihood that the borrower will enter into bankruptcy or other financial reorganisation emerges.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to related parties, lease liabilities, convertible bonds and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Financial liabilities *(continued)*

Convertible bonds

The Group designates convertible bonds denominated in a currency other than the functional currency of the Company as financial liabilities at fair value through profit or loss. 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 bonds shall be presented in profit or loss.

The convertible bonds are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the end of each reporting period.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial liability arising from the put option granted to a shareholder

Put option granted to a shareholder is accounted for as a financial liability and is recognised initially at fair value and subsequently measured at amortised cost until the expiry of the option or extinguishment on redemption. The fair value of the put option granted to a shareholder is determined as the present value of the equity redemption amount, which is determined by an independent qualified valuer.

The Company will assess the expected redemption amount periodically (each half year) and any changes resulting from the expected redemption amount in the IFRS 9 financial liability of put option subsequent to initial recognition are recognised in profit or loss.

If the option expires without redemption, the carrying amount of the financial liabilities is reclassified to equity.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Income tax *(continued)*

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers (continued)

The Group's revenue from the provision of formal educational services is in consideration of fixed amounts of tuition and boarding fees, which are recognised when the specific criteria have been met for the following activities:

Tuition and boarding fees from the provision of formal education services received from students are generally paid in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees from the provision of formal education services are recognised proportionately over the relevant period of the respective applicable program. The portion of tuition and boarding payments received from students but not recognised is recorded as a contract liability and is reflected as a current liability as such amounts represent revenue that the Group expects to recognise within one year. The academic year of the Group's schools is generally from September to August of the following year.

Tuition fees from the provision of other education services, including self-study examination education services, adult education services and training services to the students, are collected in advance on a lump sum basis. Revenue is recognised proportionately over the relevant period of the applicable program.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Share-based payments

The Group operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Share-based payments *(continued)*

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries and schools which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries and schools are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for employees of the Group's subsidiary which operates in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group's subsidiaries operating in Malaysia and Thailand make contributions to the statutory pension funds, which are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Chinese Mainland are charged to profit or loss as incurred.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 11 to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and the liabilities of these entities are translated into RMB at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

2. ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

Foreign currencies *(continued)*

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Structured contracts

Due to regulatory restrictions on foreign ownership in the schools in the PRC, the Group conducts a substantial portion of the business through the Consolidated Affiliated Entities. The WFOE, a wholly-owned subsidiary of the Company, has entered into the Structured Contracts with, among others, the Consolidated Affiliated Entities and their respective equity holders. The Structured Contracts enable the WFOE to exercise effective control over the Consolidated Affiliated Entities and obtain substantially all economic benefits of the Consolidated Affiliated Entities.

The Company does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Structured Contracts, the Company has power over the Consolidated Affiliated Entities, has 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 therefore considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries. The Group has consolidated the financial position and results of the Consolidated Affiliated Entities in the financial statements during the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Judgements *(continued)*

Income tax

Significant judgement is required in interpreting the relevant tax rules and regulations so as to determine whether certain schools of the Group which are exempted from tax are subject to corporate income tax in respect of income from the provision of formal education services. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available causing the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact the tax expense in the period when such determination is made. Further details of income tax are set out in note 10 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill and the intangible asset with an indefinite useful life

The Group determines whether goodwill and the intangible asset with an indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and the intangible asset with an indefinite useful life are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill and the intangible asset with an indefinite useful life as at 31 August 2025 were RMB1,361,409,000 and RMB161,827,000, respectively (31 August 2024: RMB2,051,684,000 and RMB158,078,000, respectively). Further details are given in note 18 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Impairment of non-financial assets (other than goodwill and the intangible asset with an indefinite useful life)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 13 to the financial statements.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from changes in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of the year based on changes in circumstances. Further details of the property, plant and equipment are set out in note 13 to the financial statements.

Provision for expected credit losses on other receivables

The Group takes into account qualitative and quantitative reasonable and supportable forward-looking information of forecast economic conditions when assessing the provision for expected credit losses on other receivables. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's forecast of economic conditions might not be representative of the actual default in the future. The information about the ECLs on the Group's other receivables is disclosed in note 20 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Fair value measurement of convertible bonds

Convertible bonds amounting to RMB1,174,115,000 as at 31 August 2025 (31 August 2024: RMB1,976,664,000) are measured at fair value with fair values being determined based on unobservable inputs, including expected volatility of share price and discount rate, using valuation technique. Judgement and estimation are required in establishing the relevant valuation technique and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of convertible bonds. Further disclosures of the convertible bonds are set out in note 28 to the financial statements.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their geographical areas and has three reportable operating segments as follows:

(a) The domestic education segment provides higher and vocational education services in Chinese Mainland;

(b) The global education segment provides higher education services outside the PRC; and

(c) The "other" segment comprises the investment and development of properties located in Chinese Mainland.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, foreign exchange differences, non-lease-related finance costs, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents and pledged and restricted deposits as these assets are managed on a group basis.

4. OPERATING SEGMENT INFORMATION *(continued)*

Segment liabilities exclude interest-bearing bank and other borrowings (other than lease liabilities), amounts due to related parties and convertible bonds as these liabilities are managed on a group basis.

For the year ended 31 August 2025

	Domestic education RMB'000	Global education RMB'000	Other RMB'000	Total RMB'000
Segment revenue (note 5)				
Revenue from external customers	3,384,199	576,146	—	3,960,345
Intersegment sales	—	69,310	—	69,310
Total segment revenue	3,384,199	645,456	—	4,029,655
Reconciliation:				
Elimination of intersegment sales				(69,310)
Revenue from external customers				3,960,345
Segment results	303,459	87,440	(33,355)	357,544
Reconciliation:				
Interest income				42,927
Foreign exchange differences, net				(16,616)
Fair value change from convertible bonds				615,106
Expense related to the restructuring of convertible bonds				(238,033)
Non-lease-related finance costs				(217,611)
Unallocated corporate expenses				(53,793)
Profit before tax				489,524

4. OPERATING SEGMENT INFORMATION *(continued)*

For the year ended 31 August 2025 *(continued)*

	Domestic education RMB'000	Global education RMB'000	Other RMB'000	Total RMB'000
Segment assets	16,065,413	1,853,390	891,726	18,810,529
Reconciliation:				
Elimination of intersegment receivables				(104,913)
Pledged and restricted deposits				458,136
Time Deposits				185,915
Cash and cash equivalents				2,647,537
Total assets				21,997,204
Segment liabilities	7,625,072	838,781	57,371	8,521,224
Reconciliation:				
Elimination of intersegment payables				(104,913)
Interest-bearing bank and other borrowings				2,824,636
Convertible bonds				1,174,115
Total liabilities				12,415,062
Other segment information				
Impairment loss on financial assets	27,773	—	—	27,773
Impairment loss on inventories	—	—	2,686	2,686
Impairment loss on land held for property development	—	—	6,107	6,107
Impairment loss on property, plant and equipment	59,258	—	—	59,258
Impairment loss on goodwill	558,810	—	—	558,810
Depreciation and amortisation	557,230	99,287	16,853	673,370
Share-based payment expense	2,748	—	—	2,748
Capital expenditure*	722,685	87,539	170,686	980,910

4. OPERATING SEGMENT INFORMATION *(continued)*

For the year ended 31 August 2024

	Domestic education RMB'000	Global education RMB'000	Other RMB'000	Total RMB'000
Segment revenue (note 5)				
Revenue from external customers	3,339,764	392,302	—	3,732,066
Intersegment sales	—	32,336	—	32,336
Total segment revenue	3,339,764	424,638	—	3,764,402
Reconciliation:				
Elimination of intersegment sales				(32,336)
Revenue from external customers				3,732,066
Segment results	887,069	9,742	(65,572)	831,239
Reconciliation:				
Interest income				32,939
Foreign exchange differences, net				16,330
Fair value change from convertible bonds				186,516
Non-lease-related finance costs				(279,716)
Unallocated corporate expenses				(30,247)
Profit before tax				757,061
Segment assets	16,696,701	1,649,525	908,133	19,254,359
Reconciliation:				
Elimination of intersegment receivables				(73,602)
Pledged and restricted deposits				551,455
Cash and cash equivalents				2,549,299
Total assets				22,281,511

4. OPERATING SEGMENT INFORMATION *(continued)*

For the year ended 31 August 2024 *(continued)*

	Domestic education RMB'000	Global education RMB'000	Other RMB'000	Total RMB'000
Segment liabilities	7,401,630	583,715	1,253	7,986,598
Reconciliation:				
Elimination of intersegment payables				(73,602)
Interest-bearing bank and other borrowings				3,237,361
Convertible bonds				1,976,664
Total liabilities				13,127,021
Other segment information				
Share of profit of a joint venture	27,182	—	—	27,182
Impairment loss on financial assets	73,194	—	—	73,194
Impairment loss on land held for property development	—	—	43,752	43,752
Depreciation and amortisation	507,752	66,559	18,483	592,794
Share-based payment expense	40,999	—	—	40,999
Capital expenditure*	825,319	197,957	4,833	1,028,109

* Capital expenditure consists of additions to property, plant and equipment, investment properties, interests in land held for property development and intangible assets including assets from the acquisition of subsidiaries.

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2025	2024
	RMB'000	RMB'000
Domestic* — Chinese Mainland	**3,384,199**	3,339,764
Overseas — Malaysia, Thailand and Hungary	**576,146**	392,302
Total revenue	**3,960,345**	3,732,066

The revenue information above is based on the locations of the customers.

* The place of domicile of the Group's principal operating subsidiaries is Chinese Mainland.

(b) Non-current assets

	2025	2024
	RMB'000	RMB'000
Domestic — Chinese Mainland	**14,086,818**	16,469,510
Overseas — Malaysia, Thailand and Hungary	**1,644,634**	1,514,387
Total non-current assets	**15,731,452**	17,983,897

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

No revenue from a single customer amounted to 10% or more of the total revenue of any segments during the years ended 31 August 2025 and 2024.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	3,960,345	3,732,066

(a) *Disaggregated revenue information for revenue from contracts with customers*

For the year ended 31 August 2025

Segments	Domestic education RMB'000	Global education RMB'000	Total RMB'000
Types of goods or services			
Tuition fees	2,963,324	464,758	3,428,082
Boarding fees	308,007	12,494	320,501
Sale of books and daily necessities	68,520	—	68,520
Others	44,348	98,894	143,242
Total	3,384,199	576,146	3,960,345
Timing of revenue recognition			
Services transferred over time	3,315,679	576,146	3,891,825
Goods transferred at a point in time	68,520	—	68,520
Total	3,384,199	576,146	3,960,345

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue *(continued)*

(a) Disaggregated revenue information for revenue from contracts with customers (continued)

For the year ended 31 August 2024

Segments	Domestic education RMB'000	Global education RMB'000	Total RMB'000
Types of goods or services			
Tuition fees	2,881,581	341,827	3,223,408
Boarding fees	296,400	9,686	306,086
Sale of books and daily necessities	56,630	—	56,630
Others	105,153	40,789	145,942
Total	3,339,764	392,302	3,732,066
Timing of revenue recognition			
Services transferred over time	3,283,134	392,302	3,675,436
Goods transferred at a point in time	56,630	—	56,630
Total	3,339,764	392,302	3,732,066

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Provision of education services

The performance obligations of the services are satisfied over time as the services are rendered in each academic year or training period and advances are required before rendering the services.

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue *(continued)*

(b) Performance obligations *(continued)*

Sale of goods

The performance obligation is satisfied upon delivery of goods and payment in advance is normally required.

Changes in contract liabilities during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of year	**2,272,351**	2,125,844
Disposal of subsidiaries (note 33)	**(2,944)**	(841)
Classified as held for sale (note 22)	**(230,170)**	—
Revenue recognised that was included in the contract liabilities at beginning of year	**(2,271,829)**	(2,120,751)
Increase due to cash received, excluding amounts recognised as revenue during the year	**2,324,917**	2,255,502
Exchange realignment	**13,253**	12,597
Carrying amount at end of year	**2,105,578**	2,272,351
Amounts expected to be recognised as revenue:		
Within one year	**2,093,243**	2,267,792
After one year	**12,335**	4,559
Carrying amount at end of year	**2,105,578**	2,272,351

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue *(continued)*

(b) Performance obligations *(continued)*

Sale of goods *(continued)*

Contract liabilities at the end of each reporting period represented advances received from students. The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the respective applicable program. The students are entitled to the refund of payments in relation to the proportionate services not yet rendered.

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to tuition fees received in advance, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year and as permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts (or partially unsatisfied) is not disclosed.

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Other income and gains

An analysis of other income and gains is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Other income			
Bank interest income		33,811	26,636
Interest income from loans to related parties	35(b)(i)	—	53
Earned finance income		9,116	6,250
Total interest income		42,927	32,939
Deferred income released to profit or loss:	26		
— related to assets		63,814	59,212
— related to expenses		22,532	13,988
Government grants received		11,232	16,259
Rental income		10,623	12,421
Service income		49,219	64,966
Donation income		1,594	4,639
Others		22,245	47,629
Total other income		224,186	252,053
Gains			
Gain on disposal of items of property, plant and equipment, other intangible assets and right-of-use assets		33	6,453
Gain on early termination of right-of-use assets		493	—
Gain on disposal of subsidiaries		166,660	—
Gain on exchange differences, net		—	16,330
Total gains		167,186	22,783
Total other income and gains		391,372	274,836
Fair value gain on convertible bonds	28	615,106	186,516
Fair value loss on financial assets at fair value through profit and loss	a	(74,041)	—
		541,065	186,516

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

Other income and gains *(continued)*

a. During the year, the Group acquired 40% equity interest in Sichuan Huaxin Huikang Health Management Co., Ltd. ("Huaxin Huikang") through judicial auction. The principal activity of Huaxin Huikang is health consultation service. real estate leasing and medical device leasing. The Group recognised the investment as a financial instrument and classified it as financial assets at fair value through profit or loss since the Group do not have seat on the board of directors of Huaxin Huikang and the investments was held for trading.

As at 31 August 2025, the investment is carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025	2024
	RMB'000	RMB'000
Interest on bank loans and other borrowings	**192,005**	253,768
Less: interest capitalised	**(18,635)**	(19,927)
Subtotal	**173,370**	233,841
Increase in the discounted amounts of payables arising from the passage of time	**44,241**	45,875
Interest on lease liabilities	**8,066**	9,696
Total	**225,677**	289,412
Capitalisation rate of borrowing costs capitalised	**7.28%**	7.51%

7. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of services provided		**2,292,541**	2,158,501
Employee benefit expense (including directors' and chief executive's remuneration (note 8)):			
Wages and salaries		**1,360,387**	1,302,430
Equity-settled share option expense		**2,748**	40,999
Pension scheme contributions (defined contribution schemes)*		**282,946**	230,278
Total		**1,646,081**	1,573,707
Management fees	(i)	**127,504**	122,252
Depreciation of property, plant and equipment	13	**485,283**	432,026
Depreciation of right-of-use assets	14(a)	**73,685**	71,643
Depreciation of land held for property development	15	**11,951**	12,870
Depreciation of investment properties	16	**4,901**	5,613
Amortisation of other intangible assets	17	**42,941**	40,754
Amortisation of contract cost assets	21	**54,609**	29,888
(Gains)/losses on disposal of subsidiaries, net	33	**(166,660)**	5,472
Expenses related to the restructuring of convertible bonds		**238,033**	—
Lease payments not included in the measurement of lease liabilities	14(c)	**10,967**	36,666
Foreign exchange differences, net		**12,839**	4,377
Auditors' remuneration		**7,350**	7,350
Losses on disposal of items of long-term assets, net		**4,240**	1,069
Gain on lease modification, net	14(c)	**(493)**	—
Impairment loss on other receivables	20	**27,773**	73,194
Impairment loss on land held for property development^	15	**6,107**	43,752
Impairment loss on inventories		**2,686**	—
Impairment loss on property, plant and equipment^	13	**59,258**	—
Impairment loss on goodwill^	18	**558,810**	—

7. PROFIT BEFORE TAX *(continued)*

Note:

(i) Management fees represented the annual fees payable to the universities where the Group had entered into cooperation agreements to operate independent colleges. Management fees are charged based on a certain percentage of tuition fees received or receivable by the Group.

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

^ Impairment loss on land held for property development, property, plant and equipment and goodwill is included in "Other expenses" in profit or loss.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 **RMB'000**	2024 RMB'000
Fees	**5,271**	2,929
Other emoluments:		
Salaries, allowances and benefits in kind	**220**	234
Equity-settled share option expense	**172**	5,033
Pension scheme contributions	**147**	123
Subtotal	**539**	5,390
Total	**5,810**	8,319

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

During the year and in the prior year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 31 to financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 **RMB'000**	2024 RMB'000
Mr. Zhang Jin	**165**	164
Mr. Liu Zhonghui	**165**	164
Mr. Xiang Chuan	**165**	164
Total	**495**	492

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(b) Executive directors, non-executive directors and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Equity-settled share option expense RMB'000	Pension Scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 August 2025					
Executive directors:					
Mr. Wang Huiwu(iv)	1,252	—	—	51	1,303
Mr. Xu Changjun(i)	42	—	—	—	42
Mrs. Lou Qunwei(ii)	500	—	172	4	676
Mr. Deng Yi(i)	581	—	—	56	637
Mrs. Wang Xiu(ii)	—	—	—	—	—
Subtotal	2,375	—	172	111	2,658
Non-executive directors:					
Mr. Tang Jianyuan(i)	—	—	—	—	—
Mr. Zhang Bing	1,492	—	—	—	1,492
Mr. Li Tao(iii)	442	220	—	36	698
Mr. Wang Xiaowu(iii)	—	—	—	—	—
Mr. Xu Changjun(i)	467	—	—	—	467
Subtotal	2,401	220	—	36	2,657
Total	4,776	220	172	147	5,315
Year ended 31 August 2024					
Executive directors:					
Mr. Wang Huiwu	1,493	—	—	48	1,541
Mr. Xu Changjun	508	—	—	—	508
Mr. Li Tao	182	—	—	19	201
Mr. Huang Zhongcai	—	61	639	12	712
Mrs. Lou Qunwei	—	173	880	26	1,079
Subtotal	2,183	234	1,519	105	4,041
Non-executive directors:					
Mr. He Shengli	—	—	—	—	—
Mr. Lu Zhichao	—	—	—	—	—
Mr. Tang Jianyuan	—	—	3,514	—	3,514
Mr. Zhang Bing	—	—	—	—	—
Mr. Li Tao	254	—	—	18	272
Subtotal	254	—	3,514	18	3,786
Total	2,437	234	5,033	123	7,827

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(b) Executive directors, non-executive directors and the chief executive *(continued)*

Notes:

(i) On 27 September 2024, Mr. Xu Changjun resigned as an executive director and Mr. Deng Yi was appointed as an executive director of the Company. On the same day, Mr. Tang Jianyuan resigned as a non-executive director and Mr. Xu Changjun was appointed as a non-executive director of the Company.

(ii) On 29 November 2024, Mrs. Lou Qunwei resigned as an executive director and Mrs. Wang Xiu was appointed as an executive director of the Company.

(iii) On 23 January 2025, Mr. Li Tao resigned as a non-executive director and Mr. Wang Xiaowu was appointed as a non-executive director of the Company.

(iv) Mr. Wang Huiwu is also the chief executive of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees are detailed as follows:

	Number of employees	
	2025	2024
Director	**2**	2
Non-director	**3**	3
Total	**5**	5

9. FIVE HIGHEST PAID EMPLOYEES *(continued)*

Details of directors' and chief executive's remuneration are set out in note 8 above. Details of the remaining highest paid employees who are neither a director nor chief executive of the Company for the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	11,136	10,413
Equity-settled share option expense	—	3,167
Pension scheme contributions	276	61
Total	11,412	13,641

The number of the non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HK$1,000,000	1	—
HK$1,000,001 to HK$1,500,000	1	—
HK$1,500,001 to HK$2,000,000	—	1
HK$3,000,001 to HK$3,500,000	—	1
HK$5,000,001 to HK$5,500,000	—	—
HK$10,500,001 to HK$11,000,000	1	1
HK$12,500,001 to HK$13,000,000	—	—
Total	3	3

During the year and the prior year, share options were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 31 to financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

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

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

Mainland International Business Services Hong Kong Co., Ltd., a subsidiary incorporated in Hong Kong, is subject to income tax at a rate of 16.5%. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Subsidiaries incorporated in Malaysia are subject to corporate income tax at a rate of 24% during the year.

Non-school subsidiaries incorporated in Thailand are subject to corporate income tax at a rate of 20% and the school incorporated in Thailand is exempted from corporate income tax during the year.

Subsidiaries incorporated in Hungary are subject to corporate income tax at a rate of 9% during the year.

Corporate income tax of subsidiaries incorporated in Chinese Mainland has been provided at the applicable tax rates on the estimated taxable profits arising in Chinese Mainland during the year.

The major components of income tax expense of the Group are as follows:

	2025 **RMB'000**	2024 RMB'000
Current — Chinese Mainland		
Corporate income tax for the year	**99,148**	131,948
Under-provision in prior years, net	**—**	11,315
Current — elsewhere		
Corporate income tax for the year	**14,462**	14,377
Over-provision in prior years, net	**(1,721)**	(615)
Deferred (note 29)	**(9,040)**	(13,051)
Total tax charged for the year	**102,849**	143,974

10. INCOME TAX *(continued)*

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions/countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Profit before tax		**489,524**	757,061
Less: profits generated by companies incorporated in the Cayman Islands*		**(437,614)**	(235,022)
Profit before tax by the Group other than companies incorporated in the Cayman Islands		**51,910**	522,039
Tax/(notional tax) at the respective statutory tax rates:			
— PRC subsidiaries, at 25%		**(8,461)**	121,297
— Hong Kong subsidiary, at 16.5%		**(643)**	(502)
— Malaysia subsidiaries, at 24%		**17,738**	5,604
— Thailand subsidiaries, at 20%		**3,000**	4,049
— Hungary subsidiary, at 9%		**67**	(333)
Lower tax rate for specific provinces or enacted by local authorities	(a)	**(19,746)**	(26,273)
Profits not subject to tax	(b)	**(121,224)**	(37,890)
Profits attributable to a joint venture		**—**	(6,796)
Adjustments in respect of current tax of previous years		**(1,721)**	10,700
Tax losses utilised from previous years		**(2,029)**	(1,024)
Tax losses and deductible temporary difference not recognised		**225,813**	64,544
Withholding tax**		**7,842**	7,820
Others		**2,213**	2,778
Tax charge at the Group's effective rate		**102,849**	143,974

* The profits generated by companies incorporated in the Cayman Islands during the year mainly consisted of fair value gain on convertible bonds and foreign exchange gains, which are not taxable pursuant to the rules and regulations of the Cayman Islands.

** The Group paid withholding tax regarding the intercompany interest income received by the Company from subsidiaries located in Chinese Mainland at the rate of 10%.

10. INCOME TAX *(continued)*

Notes:

(a) According to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies, certain subsidiaries that are located in Sichuan Province and engaged in the encouraged business are entitled to a preferential CIT rate of 15%.

According to the preferential tax rules for companies established in Horgos, Xinjiang, the PRC, certain subsidiaries are exempted from income tax for five years starting from the first year when the production income is obtained.

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

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

As at the date of approval of these financial statements, except for three schools which were incorporated as non-profit private schools, the PRC Schools are in the process of classification registrations and remain as private non-enterprise units.

Considering that the relevant taxation policy regarding schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remains unchanged and no further new and specific tax implementation regulations are announced, if the school nature has not yet been changed, in accordance with the tax compliance confirmations obtained from the local tax authorities and the Group's external legal advisor's opinion on the preferential tax treatments for the current year, the PRC Schools did not pay corporate income tax for the income from formal educational services and have enjoyed the preferential tax treatments during the year. Following the completion of the registration of the PRC Schools as for-profit private schools, the PRC Schools may be subject to corporate income tax at a statutory rate of 25% in respect of income from the provision of formal educational services, if they do not enjoy any preferential tax treatment.

Pursuant to the PRC Corporate Income Tax Law and the respective regulations, all of the Group's non-school subsidiaries established in the PRC are subject to PRC corporate income tax at a rate of 25% during the year, except the WFOE and those subsidiaries which are mentioned above.

11. DIVIDENDS

At the meeting of the board of directors held on 28 November 2025, the Directors resolved not to pay any dividend for the year ended 31 August 2025 (2024: Nil).

12. EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted earnings/(losses) per share attributable to ordinary equity holders of the Company are based on the following data:

	2025 **RMB'000**	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**384,777**	609,562
Less: Fair value and foreign exchange gains on convertible bonds	**(611,329)**	(207,223)
Profit/(loss) attributable to ordinary equity holders of the Company, before fair value and foreign exchange gains on convertible bonds used in the diluted earnings/(losses) per share calculation	**(226,552)**	402,339

12. EARNINGS/(LOSSES) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*

		Number of shares	
	Notes	**2025**	2024
Shares			
Weighted average number of ordinary shares used in the basic earnings per share calculation	(i)	**8,224,974,706**	8,224,974,706
Effect of dilution — weighted average number of ordinary shares:	(ii)		
Convertible bonds	(iii)	**610,756,694**	634,545,925
Weighted average number of ordinary shares used in the diluted earnings per share calculation		**8,835,731,400**	8,859,520,631

Notes:

(i) The weighted average number of 8,224,974,706 ordinary shares was in issue during the year (2024: 8,224,974,706 ordinary shares was in issue).

(ii) The weighted average number of ordinary shares were assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

(iii) No adjustment has been made to the basic earnings per share amount presented for the year in respect of a dilution for the share options under the 2018 Pre-IPO Share Option Scheme and 2022 Share Option Scheme as the exercise prices were higher than the average market price of the Company during the years ended 31 August 2025 and 2024.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RMB'000	Buildings RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Devices and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 August 2025							
At 1 September 2024:							
Cost	171,725	10,656,036	839,900	44,105	899,060	1,389,558	14,000,384
Accumulated depreciation and impairment	—	(1,218,864)	(549,735)	(28,268)	(600,186)	—	(2,397,053)
Net carrying amount	171,725	9,437,172	290,165	15,837	298,874	1,389,558	11,603,331
At 1 September 2024, net of accumulated depreciation and impairment	171,725	9,437,172	290,165	15,837	298,874	1,389,558	11,603,331
Additions	—	371,407	113,608	3,422	101,066	195,919	785,422
Disposals	—	(393)	(3,602)	(1,812)	(2,776)	—	(8,583)
Disposal of subsidiaries (note 33)	—	(456,646)	(20,496)	(525)	(16,391)	(20,529)	(514,587)
Depreciation provided during the year (note 7)	—	(257,956)	(92,200)	(5,774)	(129,353)	—	(485,283)
Impairment	—	(59,258)	—	—	—	—	(59,258)
Transfer from construction in progress	—	1,147,283	2,947	—	20,777	(1,171,007)	—
Transfer to assets held for sale (note 22)	—	(813,706)	(60,220)	(1,100)	(35,469)	(2,230)	(912,725)
Transfer to investment properties (note 16)	—	(11,441)	—	—	—	—	(11,441)
Exchange realignment	6,208	22,931	996	58	632	5,288	36,113
At 31 August 2025, net of accumulated depreciation and impairment	177,933	9,379,393	231,198	10,106	237,360	396,999	10,432,989
At 31 August 2025:							
Cost	177,933	10,814,595	811,207	37,669	901,215	396,999	13,139,618
Accumulated depreciation and impairment	—	(1,435,202)	(580,009)	(27,563)	(663,855)	—	(2,706,629)
Net carrying amount	177,933	9,379,393	231,198	10,106	237,360	396,999	10,432,989

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold land RMB'000	Buildings RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Devices and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 August 2024							
At 1 September 2023:							
Cost	165,529	9,965,749	748,660	36,536	777,938	1,288,443	12,982,855
Accumulated depreciation and impairment	—	(983,985)	(449,486)	(23,694)	(500,944)	—	(1,958,109)
Net carrying amount	165,529	8,981,764	299,174	12,842	276,994	1,288,443	11,024,746
At 1 September 2023, net of accumulated depreciation and impairment	165,529	8,981,764	299,174	12,842	276,994	1,288,443	11,024,746
Additions	—	12,660	89,096	8,781	114,589	771,930	997,056
Disposals	—	(912)	(1,196)	(702)	(4,985)	(24,631)	(32,426)
Disposal of a subsidiary	—	—	—	(18)	—	—	(18)
Depreciation provided during the year (note 7)	—	(223,302)	(98,366)	(5,112)	(105,246)	—	(432,026)
Transfers	—	637,306	851	—	16,802	(654,959)	—
Exchange realignment	6,196	29,656	606	46	720	8,775	45,999
At 31 August 2024, net of accumulated depreciation and impairment	171,725	9,437,172	290,165	15,837	298,874	1,389,558	11,603,331
At 31 August 2024:							
Cost	171,725	10,656,036	839,900	44,105	899,060	1,389,558	14,000,384
Accumulated depreciation and impairment	—	(1,218,864)	(549,735)	(28,268)	(600,186)	—	(2,397,053)
Net carrying amount	171,725	9,437,172	290,165	15,837	298,874	1,389,558	11,603,331

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Notes:

(a) As at 31 August 2025, the Group was in the customary process of obtaining the relevant property ownership certificates for certain buildings with an aggregate net carrying amount of approximately RMB1,721,924,000 (31 August 2024: RMB1,922,693,000). The Group's buildings can only be sold, transferred or mortgaged when the relevant certificates have been obtained.

(b) As at 31 August 2025, certain of the Group's property, plant and equipment with a net carrying amount of RMB216,643,000 (31 August 2024: RMB180,702,000) were pledged to secure the bank and other borrowings granted to the Group (note 27(a)).

(c) As at 31 August 2025, the Group identified impairment indicators on property, plant and equipment in respect of buildings held by a subsidiary which have remained idle since reaching intended use status. The Group performed an impairment test on the buildings, and determined the recoverable amount of the buildings based on the asset's fair value less costs of disposal by reference to the disposal price to a potential acquirer. Consequently, the carrying amounts of the buildings were written down by RMB59,258,000. The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, school campuses, dormitories and motor vehicles used in its operations. Lump sum payments were made upfront to acquire the leased land from the governments with lease periods of 20 to 900 years, and no ongoing payments will be made under the terms of these land leases. Leases of dormitories generally have lease terms between 2 and 12 years, while equipment has lease terms of 4 years. Leases of school campuses generally have lease terms from 2 to 26 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

14. LEASES *(continued)*

The Group as a lessee *(continued)*

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Dormitories RMB'000	School campuses RMB'000	Equipment RMB'000	Total RMB'000
As at 1 September 2024	1,833,153	44,123	49,089	307	1,926,672
Additions	88,810	—	12,891	2,630	104,331
Disposal of subsidiaries (note 33)	(187,317)	—	—	—	(187,317)
Termination of leases	—	(8,318)	(683)	—	(9,001)
Reclassification to assets held for sale (note 22)	(135,476)	—	—	—	(135,476)
Depreciation charged to profit or loss during the year (note 7)	(52,314)	(13,355)	(7,492)	(524)	(73,685)
Adjustment due to lease modification	—	—	875	—	875
Exchange realignment	543	—	1,369	47	1,959
As at 31 August 2025	1,547,399	22,450	56,049	2,460	1,628,358

	Leasehold land RMB'000	Dormitories RMB'000	School campuses RMB'000	Equipment RMB'000	Total RMB'000
As at 1 September 2023	1,830,552	58,007	44,968	781	1,934,308
Additions	197,671	—	12,028	—	209,699
Disposals	(147,549)	—	—	—	(147,549)
Depreciation charged to profit or loss during the year (note 7)	(48,837)	(13,884)	(8,441)	(481)	(71,643)
Exchange realignment	1,316	—	534	7	1,857
As at 31 August 2024	1,833,153	44,123	49,089	307	1,926,672

14. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of year	133,824	149,826
New leases	15,521	12,028
Accretion of interest recognised during the year	8,066	9,696
Adjustment due to lease modification	875	—
Termination of leases	(9,494)	—
Payments	(37,468)	(38,447)
Exchange realignment	1,586	721
Carrying amount at end of the year	112,910	133,824
Analysed into:		
Current portion	36,936	37,271
Non-current portion	75,974	96,553

The maturity analysis of lease liabilities is disclosed in note 39 to financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	8,066	9,696
Depreciation charge on right-of-use assets	73,685	71,643
Expense relating to short-term leases (included in cost of sales and administrative expenses) (note 7)	10,967	36,666
Gains on early termination of right-of-use assets (note 7)	(493)	—
Total amount recognised in profit or loss	92,225	118,005

14. LEASES *(continued)*

The Group as a lessee *(continued)*

(d) The total cash outflow for leases is disclosed in note 36(c) to financial statements.

The Group as a lessor

The Group leased certain investment properties and schools' spaces and buildings under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB10,623,000 (2024: RMB12,421,000), details of which are included in note 5 to financial statements.

As at 31 August 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 **RMB'000**	2024 RMB'000
Within one year	**26,761**	17,616
After one year but within two years	**20,437**	12,461
After two years but within three years	**7,413**	9,501
After three years but within four years	**7,726**	4,007
After four years but within five years	**8,811**	3,771
After five years	**53,929**	13,478
Total	**125,077**	60,834

15. INTERESTS IN LAND HELD FOR PROPERTY DEVELOPMENT

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of the year	681,556	735,719
Additions	170,686	2,459
Transfer to properties under development	(52,852)	—
Transfer to assets held for sale (note 22)	(96,985)	—
Impairment during the year (note 7)	(6,107)	(43,752)
Depreciation charged to profit or loss during the year (note 7)	(11,951)	(12,870)
Carrying amount at end of the year	684,347	681,556

The Group's interests in land use rights for property development were in respect of prepayments for the rights to use certain pieces of land situated in Chinese Mainland over fixed periods and held under leases with terms of 40 to 70 years.

The value of the land held for property development is assessed at the end of each reporting period. An impairment exists when the carrying amount exceeds its net realisable value. The net realisable value is determined by reference to the selling price based on the prevailing market price less applicable selling expenses. The determination of the net realisable value of the land held for property development involves expected future selling prices, the relevant taxes, and costs necessary to complete the sale of these properties. The calculation of the net realisable value for the land held for property development at the financial reporting date is performed by the Group's management. The Group's management engaged an independent qualified valuer to perform valuations for these properties. As at 31 August 2025, the net realisable value of the interests in land use rights for property development were estimated to be approximately RMB684,347,000 (31 August 2024: RMB681,556,000), and the Group recognised an impairment allowance amounting to RMB6,107,000 (31 August 2024: RMB43,752,000).

16. INVESTMENT PROPERTIES

	2025 RMB'000	2024 RMB'000
Net carrying amount at beginning of the year	**260,414**	261,419
Additions	**—**	2,374
Transfer from property, plant and equipment (note 13)	**11,441**	—
Depreciation provided during the year (note 7)	**(4,901)**	(5,613)
Input value-added tax transfer out	**(9,141)**	—
Exchange realignment	**926**	2,234
Net carrying amount at end of the year	**258,739**	260,414

The Group's investment properties consist of five commercial properties in Chinese Mainland owned by the "PRC Schools" and freehold land in Malaysia owned by Inti Education Holdings Sdn. Bhd. and its subsidiaries ("INTI Group"). As at 31 August 2025, the fair value of the investment properties was estimated to be approximately RMB323,558,000 (31 August 2024: RMB298,131,000) consistent with the valuation performed by independent qualified valuers. Selection criteria of the external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

The valuation of freehold land in Malaysia was determined using the comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the price per square metre. The valuation of five commercial properties in Chinese Mainland was determined using the discounted cash flow method. The most important input for this valuation method is the annual rent and the discount rate. The fair value measurement hierarchy of the investment properties requires certain significant unobservable inputs (Level 3). During the year, there were no transfers into or out of Level 3 (2024: Nil).

The investment properties in Chinese Mainland are leased under operating leases, further summary details of which are included in note 14 to financial statements.

As at 31 August 2025, certain of the Group's investment properties with a net carrying amount of RMB194,068,000 (31 August 2024: RMB203,921,000) were pledged to secure the other borrowings granted to the Group (note 27(a)).

17. OTHER INTANGIBLE ASSETS

	Trade name (Note (i)) RMB'000	Software RMB'000	Cooperation arrangement to operate independent college RMB'000	Licences to operate under-graduate institutions (Note (ii)) RMB'000	Total RMB'000
31 August 2025					
Cost at 1 September 2024, net of accumulated amortisation	158,078	99,746	—	992,881	1,250,705
Additions	—	24,802	—	—	24,802
Disposals	—	(1,051)	—	—	(1,051)
Disposal of subsidiaries (note 33)	—	(4,311)	—	—	(4,311)
Assets classified as held for sale (note 22)	—	(6,585)	—	—	(6,585)
Amortisation provided during the year (note 7)	—	(20,124)	—	(22,817)	(42,941)
Exchange realignment	3,749	117	—	—	3,866
At 31 August 2025	161,827	92,594	—	970,064	1,224,485
At 31 August 2025					
Cost	161,827	163,040	17,438	1,065,977	1,408,282
Accumulated amortisation	—	(70,446)	(17,438)	(95,913)	(183,797)
Net carrying amount	161,827	92,594	—	970,064	1,224,485

17. OTHER INTANGIBLE ASSETS *(continued)*

	Trade name (Note (i)) RMB'000	Software RMB'000	Cooperation arrangement to operate independent college RMB'000	Licences to operate under-graduate institutions (Note (ii)) RMB'000	Total RMB'000
31 August 2024					
Cost at 1 September 2023, net of accumulated amortisation	149,031	88,351	3,481	1,015,700	1,256,563
Additions	—	26,220	—	—	26,220
Disposals	—	(494)	—	—	(494)
Amortisation provided during the year (note 7)	—	(14,454)	(3,481)	(22,819)	(40,754)
Exchange realignment	9,047	123	—	—	9,170
At 31 August 2024	158,078	99,746	—	992,881	1,250,705
At 31 August 2024					
Cost	158,078	157,538	17,438	1,065,978	1,399,032
Accumulated amortisation	—	(57,792)	(17,438)	(73,097)	(148,327)
Net carrying amount	158,078	99,746	—	992,881	1,250,705

17. OTHER INTANGIBLE ASSETS *(continued)*

Notes:

(i) The trade name acquired through the acquisition of INTI Group is considered by management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trade name will not be amortised until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in note 18 to financial statements.

(ii) The licences to operate undergraduate institutions are amortised on the straight-line basis over their estimated useful lives by considering the expected usage of the assets and legal or similar limits on the use of the assets. The net carrying amount of these licences and the estimated useful lives are as follows:

	2025 RMB'000	Estimated Useful life
Yinchuan University of Energy	73,538	35 years
College of Science and Technology	226,528	46 years
Pioneer College	231,700	49 years
Shaanxi University	438,298	49 years
Total	970,064	

18. GOODWILL

The carrying amounts of goodwill as at 31 August 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Cost and net carrying amount at beginning of year	**2,051,684**	2,040,254
Cost at beginning of year, net of accumulated impairment	**2,051,684**	2,040,254
Disposal of subsidiaries (note 33)	**(38,122)**	—
Classified as assets held for sale (note 22)	**(98,518)**	—
Impairment during the year	**(558,810)**	—
Exchange realignment	**5,175**	11,430
At end of year	**1,361,409**	2,051,684
At end of year		
Cost	**1,920,219**	2,051,684
Accumulated impairment	**(558,810)**	—
Net carrying amount	**1,361,409**	2,051,684

The carrying amount of the trade name with an indefinite useful life was set out in note 17 to financial statements.

18. GOODWILL *(continued)*

Impairment testing of goodwill and an intangible asset with an indefinite useful life

The goodwill and trade name acquired through business combinations are allocated to the following cash-generating units ("CGU") for impairment testing:

- Shaanxi University cash-generating unit ("Shaanxi University CGU");
- INTI Group cash-generating unit ("INTI Group CGU");
- Jinken College cash-generating unit ("Jinken College CGU");
- College of Science and Technology cash-generating unit ("ST College CGU");
- Jinzhong College of Health cash-generating unit ("Jinzhong College CGU");
- Yinchuan University of Energy cash-generating unit ("Yinchuan Energy CGU");
- Wekerle International University cash-generating unit ("Wekerle School CGU")
- TOP Institute cash-generating unit ("TOP Institute CGU");
- Suzhou Top Institute of Information Technology cash-generating unit ("Suzhou Top CGU");
- Pioneer College cash-generating unit ("Pioneer College CGU");
- Nanchang Vocational Institute cash-generating unit ("Nanchang Institute CGU"); and
- Sichuan Tianyi College cash-generating unit ("Tianyi College CGU").

18. GOODWILL *(continued)*

Impairment testing of goodwill and an intangible asset with an indefinite useful life *(continued)*

The carrying amount of the goodwill and trade name allocated to each CGU is as follows:

		2025 RMB'000	2024 RMB'000
Shaanxi University CGU	(b)	**736,070**	736,070
INTI Group CGU*	(a)	**371,456**	362,850
Jinken College CGU	(a)	**354,588**	354,588
ST College CGU	(a)	**26,419**	26,419
Jinzhong College CGU	(a)	**16,311**	16,311
Yinchuan Energy CGU	(a)	**10,795**	10,795
Wekerle School CGU	(a)	**7,597**	7,279
TOP Institute CGU	(a)	**—**	427,967
Suzhou Top CGU	(b)	**—**	98,518
Pioneer College CGU	(a)	**—**	93,978
Nanchang Institute CGU	(c)	**—**	38,122
Tianyi College CGU	(a)	**—**	36,865
Total		**1,523,236**	2,209,762

* Includes the intangible asset with an indefinite useful life of RMB161,827,000 (note 17(i)) (2024: RMB158,078,000).

18. GOODWILL *(continued)*

Impairment testing of goodwill and an intangible asset with an indefinite useful life *(continued)*

(a) Assumptions were used in the value in use calculation of the above CGUs for 31 August 2025 and 31 August 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue — The budgeted revenue is based on the historical data and management's expectation on the future market. It mainly consists of the budgeted tuition and boarding fees, which are dependent on the number of students and the unit price of tuition and boarding fees.

Pre-tax discount rate — The pre-tax discount rate reflects the risks relating to the relevant CGUs, and is determined using the capital asset pricing model with reference to the beta coefficient and debt ratio of certain public listed companies conducting business in the education industry. The pre-tax discount rate used in the value-in-use calculation for each CGU is as follows:

	2025 RMB'000	2024 RMB'000
INTI Group CGU	16%	17%
Jinken College CGU	12%	13%
ST College CGU	12%	13%
Jinzhong College CGU	12%	13%
Yinchuan Energy CGU	12%	13%
Wekerle School CGU	13%	14%
TOP Institute CGU	12%	13%
Pioneer College CGU	12%	13%
Tianyi College CGU	12%	13%

The values assigned to the key assumptions on the market development of the CGUs and discount rate are consistent with external information sources.

The recoverable amount of each of the above CGUs had been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The discount rate applied to the cash flow projections ranged from 12% to 16% and cash flows beyond the five-year period were extrapolated using a growth rate of 2%, which was the same as the long-term average growth rate of the inflation based on consumer price index.

18. GOODWILL *(continued)*

Impairment testing of goodwill and an intangible asset with an indefinite useful life *(continued)*

Based on the assessment, the carrying amounts of the TOP Institute CGU, the Pioneer College CGU and the Tianyi College CGU were impaired by RMB427,967,000, RMB93,978,000 and RMB36,865,000 during the year ended 31 August 2025, respectively. Consequently, the carrying amounts of goodwill were written down by RMB427,967,000, RMB93,978,000 and RMB36,865,000, respectively. The impairment was attributable to the overall decline in new student enrolment in vocational colleges and the delay in the conversion of certain independent colleges into fully private colleges from the public universities. In the foreseeable future, it is expected that the growth of the new student enrolment in TOP Institute, Pioneer College and Sichuan Tianyi College will remain constrained, resulting in the growth of tuition revenue falling short of the previous expectations of the Directors. The Directors have therefore reassessed the cash flow projection and other input parameters in the value in use calculation, leading to the recognition of an impairment loss on goodwill of TOP Institute CGU, Pioneer College CGU and Tianyi College CGU.

(b) For Shaanxi University CGU and Suzhou Top CGU, the recoverable amount is determined based on the selling price to the acquirer, which is higher than the carrying amount of the Shaanxi University CGU and Suzhou Top CGU and no impairment was recognised. Details are provided in notes 22 and 40 to the financial statements.

(c) In June 2025, the Group disposed of Nanchang Vocational Institute with details provided in note 33 to the financial statements.

In the opinion of the Directors, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount to exceed its recoverable amount.

18. GOODWILL *(continued)*

Impairment testing of goodwill and an intangible asset with an indefinite useful life *(continued)*

The sensitivity analyses for each CGU, other than TOP Institute CGU, Pioneer College CGU and Tianyi College CGU whose goodwill has been fully impaired during the year ended 31 August 2025, are based on a 5% increase in the discount rate or a 5% decrease in budgeted revenue, reflecting potential future changes to the key assumptions used in the calculation of value in use, if applicable.

	Impact of a 5% increase in discount rates on headroom	**Impact of a 5% decrease in budgeted revenue on headroom**
INTI Group CGU*	61,352	51,152
Jinken College CGU*	35,663	99,770
ST College CGU*	73,470	129,937
Jinzhong College CGU*	44,641	65,985
Yinchuan Energy CGU*	87,037	229,302
Wekerle School CGU*	2,033	17,475

* Despite the decrease in headroom, the recoverable amount of each CGU is still higher than the carrying amounts, and accordingly, no further impairment on goodwill and other assets within the respective CGUs was recognised during the year ended 31 August 2025.

19. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Tuition and boarding fee receivables	**99,625**	83,683

The outstanding trade receivables represent amounts due from students who have applied for the monthly instalment plan and amounts due from certain students who have applied for scholarships receivable from the government. There is no fixed term for the trade receivables. The trade receivables have no recent history of default. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	**46,748**	44,426
Over 3 months	**52,877**	39,257
Total	**99,625**	83,683

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing. The calculation reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. No expected credit losses were provided as it was assessed the overall expected credit loss rate for the above financial assets measured at amortised cost was minimal.

None of the above trade receivables is either past due or impaired.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Current portion:			
Loans to third parties, interest receivables included	(a)	307,460	458,029
Receivables arising from the disposal of subsidiaries		272,532	160,633
Amounts due from disposed subsidiaries during the year		231,281	—
Cash in transit	(b)	123,245	96,198
Deferred operating expenses		99,821	90,560
Deposits		26,463	114,227
Staff advances		10,291	22,657
Receivables arising from the disposal of items of right-of-use assets		20,000	20,000
Loans to the government		23,641	18,641
Rental receivables from third parties		6,573	21,296
Other receivables		58,697	65,712
		1,180,004	1,067,953
Impairment allowance	(a)/(c)	(200,315)	(253,894)
Sub-total		979,689	814,059
Non-current portion:			
Receivables arising from the disposal of subsidiaries		121,041	221,249
Prepayments for property, plant and equipment		31,433	108,945
Prepayments for land lease payments		36,419	36,419
Prepayments for intangible assets		3,362	2,840
Deferred operating expenses		10,695	37,057
Prepayment for an equity investment		—	7,260
Deposits		12,486	16,511
Subtotal		215,436	430,281
Total		1,195,125	1,244,340

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes:

(a) Loans to third parties and interest receivables from third parties consisted of:

	Notes	2025 RMB'000	2024 RMB'000
Guixi Property	(i)	**169,111**	319,680
Less: Impairment allowance		**(147,241)**	(204,424)
Subtotal		**21,870**	115,256
Zhongsheng Real Estate	(ii)	**138,349**	138,349
Less: Impairment allowance		**(51,073)**	(37,846)
Subtotal		**87,276**	100,503
Total		**109,146**	215,759

(i) Loans to Chengdu Wuhou Guixi Property Development Company Limited ("Guixi Property"), a company controlled by the previous ultimate shareholder of TOP Institute, are secured by the pledge of buildings and certain car parks (the "Collateral") belonging to Guixi Property. Meanwhile, the Group requested property preservation on a 40% equity interest in Huaxin Huikang held by Guixi Property and a receivable from the disposal of sponsor rights to a hospital (the "Preserved Properties"), which had been passed by the People's Court. During the year, the Group acquired 40% equity interest in Huaxin Huikang through judicial auction and then received repayments from Guixi Property.

As at 31 August 2025, after considering the repayment of the loans through the proceeds from the auction and the impact of the supplementary agreement, the remaining principal and interest receivables were RMB169,111,000, which were past due. The Group recognised an impairment allowance amounting to RMB147,241,000, as the expected discounted cash flow from the Collateral and the Preserved Properties as at 31 August 2025 was approximately RMB21,870,000, which is lower than remaining principal and interest receivables. The fair value of the Collateral and the expected discounted cash flow from the Collateral was determined by an independent qualified valuer engaged by management.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(a) Loans to third parties and interest receivables from third parties consisted of: *(continued)*

(ii) The balance represents loans to Chongqing Zhongsheng Real Estate Development Co., Ltd. ("Zhongsheng Real Estate"), a former subsidiary of the Group, are secured by 100% equity interests in Zhongsheng Real Estate.

As at 31 August 2025, the principal and interests receivables aggregating to RMB138,349,000 were past due. The Group recognised an impairment allowance amounting to RMB51,073,000, as the expected discounted cash flow from Zhongsheng Real Estate was approximately RMB87,276,000 after taking into account the fair value of the 100% equity interest pledged as at 31 August 2025. The valuation was performed by an independent qualified valuer engaged by management.

(b) The cash in transit represents tuition and boarding fees collected through third party online payment service providers at the end of the reporting period, which have yet to be transferred to the respective bank accounts of the Group at the end of the reporting period.

(c) In addition to the impairment allowance in (a), an impairment allowance amounting to RMB2,001,000 as at 31 August 2025 (31 August 2024: RMB11,624,000) was recognised in relation to the non-recovery of other receivables and deposits.

Other than those disclosed above, all the receivables are interest-free, are not secured with collateral and have no recent history of default.

21. CONTRACT COST ASSETS

	2025 RMB'000	2024 RMB'000
Non-current assets	59,216	17,014
Current assets	66,818	23,373
Total	126,034	40,387

21. CONTRACT COST ASSETS *(continued)*

Contract costs capitalised as at 31 August 2025 and 2024 related to the incremental commission fees paid to agents for the successful referral of students entering into contracts for the tuition services. Contract costs are recognised as selling expenses in profit or loss in the year in which revenue from the related tuition services is recognised. The amount of capitalised costs recognised in profit or loss during the year ended 31 August 2025 was RMB54,609,000 (2024: RMB29,888,000). There was no impairment in relation to the costs capitalised during the years ended 31 August 2025 and 2024.

The contract costs are amortised on the straight-line basis over the average course duration of 3 years (2024: 3 years), which is consistent with the pattern of recognition of the tuition fee revenue.

22. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) On 29 November 2024, the Group entered into a sale and purchase agreement to dispose of its entire interest in Weixian Giant Education Technology Co., Ltd. ("Giant Education"), which holds a 100% sponsor right to Xingtai Vocational College of Technology ("Xingtai College") engaging in the provision of higher education services, and entire interest in Hebei Wuhu Real Estate Development Co., Ltd. ("Hebei Wuhu") engaging in the real estate development to an independent third party for a total consideration of RMB540,000,000. The disposed entities are collectively referred to as Xingtai Group.

(b) On 13 February 2025, the Group entered into a sale and purchase agreement to dispose of its entire interests in Baiyin Mingde Education Co., Ltd. ("Baiyin Mingde"), which holds a 100% sponsor right to Baiyin Hope Vocational College of Technology ("Baiyin College") engaging in the provision of higher education service to an independent third party for a total consideration of RMB309,890,000. The disposed entities are collectively referred to as Baiyin Group.

(c) On 28 July 2025, the Group entered into a sale and purchase agreement to dispose of its entire interests in Baiyin Baijia Real Estate Development Co., Ltd. ("Baiyin Baijia") engaging in the real estate development to an independent third party for a total consideration of RMB31,500,000.

(d) On 26 August 2025, the Group entered into a sale and purchase agreement to dispose of its entire interests in Shanghai Pumeng Zhichuan Education Technology Co., Ltd. ("Shanghai Pumeng"), which indirectly holds a 100% sponsor right through Kunshan Xinwei Education Investment Development Co., Ltd.("Kunshan Xinwei") to Suzhou Top and Kunshan Gongmao Technical School and Business School ("Gongmao Technical School") engaging in the provision of education services to an independent third party for a total consideration of RMB650,000,000. The disposed entities are collectively referred to as Suzhou Group.

22. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE *(continued)*

As at 31 August 2025, the abovementioned disposals were classified as disposal groups held for sale as the disposal was in progress and expected to be completed within one year.

	Xingtai Group	Baiyin Group	Baiyin Baijia	Suzhou Group	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	135,061	3,915	33	161,339	300,348
Pledged and restricted deposits	10,000	—	—	—	10,000
Prepayments, deposits and other receivables	5,569	17,637	1,621	10,878	35,705
Trade receivables	—	772	—	5,836	6,608
Interests in land held for property development	77,823	—	19,162	—	96,985
Property, plant and equipment	451,819	276,318	—	184,588	912,725
Properties under development	—	—	21,153	—	21,153
Right-of-use assets	—	—	—	135,476	135,476
Other intangible assets	—	—	—	6,585	6,585
Goodwill	—	—	—	98,518	98,518
Total assets of disposal groups classified as held for sale	680,272	298,642	41,969	603,220	1,624,103
Other payables and accruals	97,581	10,531	1,767	28,049	137,928
Contract liabilities	123,026	21,601	—	85,543	230,170
Amounts due to related parties	58	—	—	—	58
Interest-bearing bank and other borrowings	89,900	37,850	—	—	127,750
Deferred income	54,509	46,671	—	207	101,387
Tax payable	—	—	—	1,317	1,317
Total liabilities of disposal groups classified as held for sale	365,074	116,653	1,767	115,116	598,610

23. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED AND RESTRICTED DEPOSITS

	Notes	2025 RMB'000	2024 RMB'000
Cash and bank balances		**3,291,588**	3,100,754
Less:			
Time deposits with original maturity of over three months		**(185,915)**	—
*Pledged deposits for other borrowings — current**	27(a)	**(420,194)**	(495,659)
Restricted bank balances in escrow accounts (i)			
Current		**—**	(29,719)
Non-current		**—**	(7,520)
Other restricted bank balances — current		**(37,942)**	(18,557)
Total time deposit, pledged and restricted deposits		**(644,051)**	(551,455)
Cash and cash equivalents		**2,647,537**	2,549,299

* Deposits amounting to RMB118,244,000 were set aside as security for the bank borrowings, which were withdrawn in October 2025.

Note:

(i) As at 31 August 2024, the restricted bank balances in escrow accounts amounted to RMB36,302,000. These belong to Zhangshu Yude Education Management Co., Ltd. ("Zhangshu Yude"), mainly represents cash received from the relevant government authorities and placed into escrow accounts for the construction of a new campus and procurement of school equipment in Jiangxi Province. During the year, the entire interests of Zhangshu Yude held by the Group has been disposed.

23. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED AND RESTRICTED DEPOSITS *(continued)*

The cash and bank balances were denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	2,446,185	2,559,310
Hong Kong dollar ("HK$")	3,300	14,053
Malaysian ringgit ("RM")	553,706	436,376
United States dollar ("US$")	118,005	101
Thailand Baht ("THB")	143,829	82,291
Euro ("EUR")	1,916	8,156
Hungarian Forint ("HUF")	24,647	467
Cash and bank balances	3,291,588	3,100,754

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged and restricted deposits are deposited with creditworthy banks with no recent history of default.

24. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	37,455	26,252
Over 3 months	10,627	31,034
Total	48,082	57,286

The trade payables are non-interest-bearing and are normally settled on terms of one to ten months.

25. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Current portion:			
Payables for purchase of property, plant and equipment		527,733	664,118
Payables for the acquisition of equity interests		38,621	471,332
Miscellaneous advances received from students	(i)	151,375	228,221
Accrued bonuses and other employee benefits		196,437	194,382
Government scholarship		210,140	236,173
Payables for purchase of teaching materials and operating expenditures		84,986	28,590
Payables for management fees	7(i)	206,695	43,496
Rental payable		41,153	47,133
Deposits payable		61,281	61,589
Other taxes payable		87,872	77,025
Other payables and accrued expenses		274,719	290,102
Loans from third parties	(vi)	263,420	124,387
Construction loan from the Mianzhu Education Bureau	(ii)	75,832	75,832
Payables for conversion of certain independent colleges into fully private colleges	(iii)	97,682	80,682
Advances received for disposal of subsidiaries		316,000	—
Payable for land lease payments		—	39,920
Payables for the restructuring of convertible bonds		133,463	—
Liability of a put option granted to a minority shareholder		374,160	—
Subtotal		3,141,569	2,662,982
Non-current portion:			
Payables for conversion of certain independent colleges into fully private colleges	(iii)	390,615	449,283
Liability of a put option granted to a minority shareholder	(iv)	—	352,605
Payable for the purchase of long-term assets		165,749	—
Payables for the acquisition of equity interests	(v)	250,000	—
Other payables		7,849	7,930
Subtotal		814,213	809,818
Total		3,955,782	3,472,800

25. OTHER PAYABLES AND ACCRUALS *(continued)*

Notes:

(i) The advances received from students represented expenses relating to textbooks, military training, medical examination and insurance, etc. collected from students which will be paid out on behalf of students.

(ii) Sichuan Tianyi College obtained an interest-free construction loan from the Mianzhu Education Bureau in 2015.

(iii) The amount includes fees payable for conversions of College of Guizhou Qiannan Economics and College of Science and Technology from independent colleges into fully private colleges in the prior year. The amount of RMB390,615,000 (31 August 2024: RMB449,283,000) will be payable over twelve months and was presented as non-current liabilities.

(iv) On 25 February 2022, the Group acquired a 70% sponsor right to Shaanxi University from independent third parties (the "Sellers"). Pursuant to the agreement, the Group granted one of the Sellers a right to sell the remaining 30% sponsor right to the Group at any time at a consideration, which is dependent on the audited earnings before interest, taxes, depreciation and amortisation of Shaanxi University of the preceding year when the put option is exercised. The put option granted was accounted for as a financial liability.

As at 31 August 2025 and 2024, the Company reassessed the expected redemption amount of the financial liability of the put option with no material changes subsequent to initial recognition.

(v) A 51% equity interest in Inner Mongolia Pu Rui Chen Education Technology Co., Ltd. was pledged for the payables for the acquisition of equity interests in Pioneer College.

(vi) As at 31 August 2025, loans from third parties bore interest at rates ranging from 7.5% to 15.0% per annum, of which RMB50,000,000 was jointly guaranteed by Mr. Wang Huiwu and a former shareholder of Shaanxi University.

26. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants related to assets		
At beginning of year	**1,550,639**	1,578,014
Government grants received	**902**	31,837
Released to profit or loss (note 5)	**(63,814)**	(59,212)
Disposal of subsidiaries (note 33)	**(169,180)**	—
Classified as held for sale (note 22)	**(101,180)**	—
At end of year	**1,217,367**	1,550,639
Current	**37,637**	39,438
Non-current	**1,179,730**	1,511,201
Total	**1,217,367**	1,550,639
Government grants related to expense items		
At beginning of year	**39,314**	36,382
Government grants received	**19,318**	16,920
Disposal of subsidiaries (note 33)	**(3,653)**	—
Classified as held for sale (note 22)	**(207)**	—
Released to profit or loss (note 5)	**(22,532)**	(13,988)
At end of year — current	**32,240**	39,314

Deferred income related to assets mainly represents the government grants received for subsidies relating to the construction of certain buildings. These grants related to assets are released to profit or loss as other income over the expected useful lives of the relevant assets.

Deferred income related to expense items represents the government grants received for the purpose of subsidising teaching-related operating costs incurred during the provision of education services. Upon completion of the operating activities, the grants will be released to profit or loss as other income on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	3.00–5.90	2025–2026	514,300	3.80–7.00	2024–2025	490,600
Bank loans — unsecured	3.10	2026	20,000	—	—	—
Current portion of						
— Long term bank loans — secured	2.50–5.90	2025–2026	123,620	4.80–6.84	2024–2025	19,898
— Medium term notes — secured*	5.30	On Demand	278,979	5.30	On Demand	271,366
— Other borrowings — secured	6.58–9.38	2025–2026	452,299	6.58–10.67	2024–2025	1,272,915
Total — current			1,389,198			2,054,779
Non-current						
Bank loans — secured	2.50–5.90	2026–2030	851,549	4.80–6.84	2025–2027	272,255
Other borrowings — secured	6.58–9.38	2026–2028	583,889	6.58–10.67	2025–2028	910,327
Total — non-current			1,435,438			1,182,582
Total			2,824,636			3,237,361

27. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable		
Within one year	**657,920**	510,498
In the second year	**210,389**	117,297
In the third to fifth years, inclusive	**641,160**	154,958
Subtotal	**1,509,469**	782,753
Other borrowings repayable:		
Within one year	**731,278**	1,544,281
In the second year	**397,067**	401,695
In the third to fifth years, inclusive	**186,822**	508,632
Subtotal	**1,315,167**	2,454,608
Total	**2,824,636**	3,237,361

* As at 31 August 2025, the Group's medium term notes of RMB278,979,000 became immediately repayable if requested by the guarantor due to the failure to satisfy the requirements of the Environmental and Social Safeguards Corrective Action Plan approved by the guarantor.

Notes:

The Group's bank and other borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	**2,545,657**	2,965,995
RM	**278,979**	271,366
Bank and other borrowings	**2,824,636**	3,237,361

27. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

The Group's bank and other borrowings are secured by:

(a) Mortgages over the following assets:

(i) Certain of the Group's non-current assets are pledged for bank and other borrowings of RMB783,427,000 as at 31 August 2025 (2024: RMB1,031,005,000):

	2025	2024
	RMB'000	RMB'000
Net book amount of:		
Property, plant and equipment (note 13(b))	**216,643**	180,702
Investment properties (note 16)	**194,068**	203,921
Total	**410,711**	384,623

(ii) Deposits amounting to RMB13,156,000 (note 23) were set aside as security for the payment of a one-year interest payable arising from the medium term notes of the Group amounting to RMB278,979,000 (31 August 2024: RMB271,366,000).

Deposits amounting to RMB288,794,000 (note 23) were set aside as security for the repayment of the principal and interest of the Group's asset-backed notes amounting to RMB768,627,000 (31 August 2024: RMB1,026,105,000).

(iii) Certain non-current assets of the third party are pledged for bank and other borrowings of RMB5,000,000 as at 31 August 2025.

(b) Pledges of equity interests in the following subsidiaries to secure the bank and other borrowings granted to the Group:

(i) 100% of the equity interest in Sichuan Guojian Investment Limited, the guarantee granted by the Company, and the rights over tuition fees of Southwest Jiaotong University Hope College have been provided or pledged to Yunnan International Trust Co., Ltd. in relation to the Group's asset-backed notes of RMB345,147,000 as at 31 August 2025 (31 August 2024: RMB519,867,000);

(ii) 100% of the equity interest in Sichuan TOP Education Co., Ltd., the guarantee granted by Hope Education, and the rights over tuition fees of TOP Institute have been provided or pledged to Yunnan International Trust Co., Ltd. in relation to the Group's asset-backed notes of RMB423,480,000 as at 31 August 2025 (31 August 2024: RMB506,237,000);

27. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

(b) Pledges of equity interests in the following subsidiaries to secure the bank and other borrowings granted to the Group: *(continued)*

(iii) 100% of the equity interest in Yonghe Education Investment Co., Ltd. has been pledged for bank loans of RMB70,000,000 as at 31 August 2025 (31 August 2024: RMB120,000,000);

(iv) 100% of the equity interest in Ningxia Yinrong Education Consulting Co., Ltd. and Ningxia Youshuo Education Consulting Co., Ltd., the guarantee granted by the Company, and the rights over tuition fees of Yinchuan University of Energy and Yinchuan Vocational School of Science and Technology have been provided or pledged to the bank loans of RMB250,000,000 as at 31 August 2025 (31 August 2024: Nil);

(v) 100% of the equity interest in Chongqing Mingrui Xincheng Education Information Consulting Co., Ltd., the guarantee granted by the Company, and the rights over tuition and hospital fees of Chongqing Digital Industry Vocational and Technical College have been pledged for bank loans of RMB10,000,000 as at 31 August 2025 (31 August 2024: Nil); and

(vi) 100% of the equity interest in Shanghai Shurui Investment Consulting Co., Ltd, the guarantee granted by the Company, and the rights over tuition fees of Sichuan Tianyi College have been provided or pledged to the bank loans of RMB280,000,000 as at 31 August 2025 (31 August 2024: Nil).

(c) Pledged rights over tuition or boarding fees of the following schools:

	Loan amount	
	2025	2024
	RMB'000	RMB'000
Sichuan Tianyi College	**280,000**	90,000
Southwest Jiaotong University Hope College	**345,147**	519,867
TOP Institute	**423,480**	506,237
Shaanxi University	**194,969**	104,500
Sichuan Hope Automotive Technician College and Sichuan Hope Automotive Vocational College	**—**	170,000
Guizhou Applied Technology Technician College	**9,000**	9,000
Yinchuan University of Energy and Yinchuan Vocational School of Science and Technology	**300,000**	—
Chongqing Digital Industry Vocational and Technical College	**10,000**	—
College of Guizhou Qiannan Economics	**60,000**	—
Guizhou Vocational Institute of Technology	**42,600**	—
Total	**1,665,196**	1,399,604

27. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes: *(continued)*

(c) Pledged rights over tuition or boarding fees of the following schools: *(continued)*

In addition, certain of the Group's bank and other borrowings are guaranteed by the following parties:

	Loan amount	
	2025	2024
	RMB'000	RMB'000
Related parties' guarantees		
— Mr. Wang Huiwu	**1,034,369**	1,107,575
— Mr. Liu Yanfeng, a minority shareholder of a subsidiary	**1,000**	—
Jointly guaranteed by related parties and third parties		
— Mr. Huang Zhongcai (management member of the Group) and Mrs. Li Hongyan (buyer of the subsidiaries)	**161,469**	—
— Mr. Wang Huiwu and former shareholder of Shaanxi University	**83,174**	50,317
Third party's guarantee		
— Former shareholder of Shaanxi University and Mrs. Li Hongyan (buyer of the subsidiaries)	**113,439**	—
— Former shareholders of Shaanxi University	**42,648**	154,051
— The buyer of subsidiaries	**27,350**	—
— Credit guarantee and investment facility	**278,979**	271,366
Total	**1,742,428**	1,583,309

28. CONVERTIBLE BONDS

	2025 RMB'000	2024 RMB'000
At beginning of year	**1,976,664**	2,183,887
Repurchase of convertible bonds	**(191,220)**	—
Change in fair value credited to profit or loss (note 5)	**(615,106)**	(186,516)
Foreign exchange loss/(gain) charged to profit or loss	**3,777**	(20,707)
At end of year	**1,174,115**	1,976,664

On 2 March 2021, Tequ Mayflower Limited, a wholly-owned subsidiary of the Company completed the issue of the Bonds with an aggregate principal amount of US$350,000,000 (equivalent to approximately RMB2,259,775,000) with a maturity date on 2 March 2026. The Bonds are convertible at the option of the bondholders into ordinary shares of the Company on or after 12 April 2021 to the close of business on the seventh day prior to the maturity date at an initial conversion price of HK$3.85 per share. There is an early redemption option granted to bondholders subject to certain criteria being satisfied whereby the Bonds are redeemable at the option of the bondholders at 103.04 per cent of the principal amount on 2 March 2024 (the "Early Redemption Option"). To exercise the Early Redemption Option, the bondholders should comply with the prescribed procedures and conditions of the Offering Circular of the Bonds, with details disclosed in the Company's announcement dated 3 March 2021. Any convertible bonds not converted will be redeemed on 2 March 2026 at 105.11 per cent of their principal amount.

During the year ended 31 August 2022, the Group repurchased the Bonds with an aggregate principal amount of US$34,900,000 at a consideration of US$20,991,250 (equivalent to approximately RMB140,698,000).

The Company received early redemption option notices, with disputes in validity, in respect of an aggregate principal amount of US$315,100,000 of the Bonds on 10 February 2024. The Company received a winding-up petition dated 27 March 2024 filed by a bank (the "Bank") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region ("High Court") as the Bonds were not redeemed under its request. On 28 August 2024, the High Court dismissed the winding-up petition as the debt arising from the redemption was disputed on substantial grounds. The Directors are of the opinion that the redemption option is not valid and the maturity date of the Bonds remains 2 March 2026 as at 31 August 2024. On 16 September 2024, the Bank filed a notice against the order dismissing the winding-up petition, which was dismissed by the High Court on 18 June 2025.

During the year ended 31 August 2025, the Group repurchased the Bonds with an aggregate principal amount of US$44,000,000 at a consideration of US$26,620,000 (equivalent to approximately RMB191,220,000).

28. CONVERTIBLE BONDS *(continued)*

On 30 July 2025, the Company announced that it had executed the amendment documents with the bondholders related to the restructuring of the Bonds by paying an aggregate amount in cash equal to US$610 for every US$1,000 in principal amount of outstanding Bonds before 30 September 2025. The amendment documents will only be effective on the restructuring effective date subject to the conditions provided in the amendment documents.

The Bonds were fully redeemed on 25 September 2025.

The Group designated the Bonds (including the conversion option) as financial liabilities at fair value through profit or loss which were initially recognised at fair value. Transaction costs relating to the issuance of the convertible bonds were charged to profit or loss immediately. In subsequent periods, such convertible bonds are remeasured at fair value. The change in fair value that is attributed to changes in credit risk is recognised in other comprehensive income with the remaining fair value change recognised in profit or loss.

The fair values of the convertible bonds as at 31 August 2025 and 2024 were determined by reference to a valuation performed by an independent qualified valuer based on the binomial model.

29. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Lease liabilities RMB'000	Contract liabilities RMB'000	Accrued expenses RMB'000	Loss available for offsetting against future taxable profits RMB'000	Total RMB'000
Year ended 31 August 2025					
At beginning of year	**4,939**	**36,609**	**8,363**	**5,689**	**55,600**
Deferred tax credited/(charged) to profit or loss during the year	**61**	**17,392**	**(1,841)**	**8,144**	**23,756**
Exchange realignment	**119**	**1,206**	**163**	**294**	**1,782**
At end of year	**5,119**	**55,207**	**6,685**	**14,127**	**81,138**
Year ended 31 August 2024					
At beginning of year	5,962	25,607	3,791	4,149	39,509
Deferred tax credited/(charged) to profit or loss during the year	(1,279)	8,725	4,010	1,190	12,646
Exchange realignment	256	2,277	562	350	3,445
At end of year	4,939	36,609	8,363	5,689	55,600

29. DEFERRED TAX *(continued)*

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries	Accounting depreciation in short of tax depreciation	Right-of-use assets	Contract costs	Intercompany interest receivables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 August 2025						
At beginning of year	72,920	49,286	3,985	9,693	1,196	137,080
Deferred tax charged/(credited) to profit or loss during the year	(1,094)	(608)	229	15,251	938	14,716
Exchange realignment	1,709	1,157	99	526	47	3,538
At end of year	73,535	49,835	4,313	25,470	2,181	155,334
Year ended 31 August 2024						
At beginning of year	69,696	47,586	4,744	3,469	4,148	129,643
Deferred tax charged/(credited) to profit or loss during the year	(930)	(1,097)	(966)	5,553	(2,965)	(405)
Exchange realignment	4,154	2,797	207	671	13	7,842
At end of year	72,920	49,286	3,985	9,693	1,196	137,080

29. DEFERRED TAX *(continued)*

Deferred tax liabilities *(continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	41,453	33,168
Net deferred tax liabilities recognised in the consolidated statement of financial position	115,649	114,648

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

As at 31 August 2025, the aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB3,560,910,000 (2024: RMB3,529,129,000).

As at 31 August 2025, the Group had unused tax losses arising in Chinese Mainland from PRC entities and in Malaysia from INTI Group, subject to income tax of RMB457,945,000 and RMB35,060,000, respectively (2024: RMB345,878,000 and RMB30,124,000, respectively), which will expire in one to ten years for offsetting against future profits, and the Group had deductible temporary difference of RMB867,541,000 (2024: RMB294,259,000) arising from the impairment losses on assets. Deferred tax assets have not been recognised in respect of these tax losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that future taxable profits will be available against which the tax losses can be utilised.

30. SHARE CAPITAL

	2025 US$	2024 US$
Authorised:		
10,000,000,000 shares of US$0.00001 each (2024: 10,000,000,000 shares of US$0.00001 each)	**100,000**	100,000
Issued and fully paid:		
8,224,974,706 ordinary shares (31 August 2024: 8,224,974,706 ordinary shares) of US$0.00001 each	**82,250**	82,250
Equivalent to approximately	**RMB558,695**	RMB558,695

31. SHARE OPTION SCHEMES

The Company operates two share option schemes, including the share option scheme adopted on 18 March 2018 (the "2018 Pre-IPO Share Option Scheme") and the share option scheme adopted on 11 May 2022 (the "2022 Share Option Scheme"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

2018 Pre-IPO Share Option Scheme

On 18 March 2018, the Company adopted the 2018 Pre-IPO Share Option Scheme. The 2018 Pre-IPO Share Option Scheme became effective on 18 March 2018 and expired on 3 August 2018, the date on which the shares of the Company first commenced trading on the Stock Exchange, after this period no further Pre-IPO Share Options will be granted but the provisions of the 2018 Pre-IPO Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Pre-IPO Share Options which were granted during the life of the scheme or otherwise as may be required in accordance with the provisions of the 2018 Pre-IPO Share Option Scheme.

During the years ended 31 August 2025 and 2024, no share option under the 2018 Pre-IPO Share Option Scheme was exercised or forfeited.

31. SHARE OPTION SCHEMES *(continued)*

2018 Pre-IPO Share Option Scheme *(continued)*

The exercise price and exercise periods of the share options granted under the 2018 Pre-IPO Share Option Scheme outstanding as at the end of the reporting period are as follows:

	Number of share options		Exercise price	
	2025	2024	**per share** HK$	**Exercise period**
Tranche A	**168,372**	168,372	0.6800	30.1.2019–18.3.2038
Tranche B	**125,037,323**	125,037,323	1.0700	30.1.2019–18.3.2038
Tranche C	**105,081,559**	105,081,559	1.3000	30.1.2019–18.3.2038
Total	**230,287,254**	230,287,254		

2022 Share Option Scheme

2022 Share Option

On 11 May 2022, a total of 612,505,822 share options under the 2022 Share Option Scheme (the "2022 Share Option") were granted to certain employees of the Company in respect of their services to the Group in the forthcoming year and, unless otherwise cancelled or amended, will remain in force until 10 May 2032. The exercise period of the share options granted under the 2022 Share Option commences on 11 May 2023 and ends on a date which is not later than 10 May 2032 or the expiry date terminated in advance under the relevant requirements of the 2022 Share Option Scheme, if earlier.

(i) Movements in share options

	2025		2024	
	Weighted average exercise price per share HK$	**Number of options**	Weighted average exercise price per share HK$	Number of options
At beginning of year	**0.486**	**371,522,822**	0.486	415,081,822
Forfeited during the year	**0.486**	**(30,606,970)**	0.486	(43,559,000)
At end of year	**0.486**	**340,915,852**	0.486	371,522,822

31. SHARE OPTION SCHEMES *(continued)*

2022 Share Option Scheme *(continued)*

2022 Share Option *(continued)*

(ii) Outstanding share options

The exercise price and exercise periods of the share options granted under the 2022 Share Option outstanding as at the end of the year are as follows:

	Number of share options		Exercise price per share	Exercise period
	2025	2024	HK$	
2022 Share Option	**340,915,852**	371,522,822	0.486	11 May 2023–10 May 2032

2023 Share Option

On 26 September 2023, a total of 190,000,000 share options under the 2022 Share Option Scheme (the "2023 Share Option") were granted to certain employees of the Company in respect of their services to the Group in the forthcoming year. The exercise period of the share options granted under the 2023 Share Option commences on 26 September 2024 and ends on a date which is not later than 30 November 2032 or the expiry date terminated in advance under the relevant requirements of the 2022 Share Option Scheme, if earlier. During the year, no share options under the 2023 Share Option were exercisable.

(i) Movements in share options

	2025		2024	
	Weighted average exercise price per share HK$	**Number of options**	Weighted average exercise price per share HK$	Number of options
At beginning of year	**0.493**	**175,000,000**	0.493	—
Granted during the year	**—**	**—**	—	190,000,000
Forfeited during the year	**0.493**	**(15,000,000)**	0.493	(15,000,000)
At end of year	**0.493**	**160,000,000**	0.493	175,000,000

31. SHARE OPTION SCHEMES *(continued)*

2022 Share Option Scheme *(continued)*

2023 Share Option *(continued)*

(ii) Outstanding share options

The exercise price and exercise periods of the share options granted under the 2023 Share Option outstanding as at the end of the year are as follows:

	Number of share options		Exercise price	
	2025	2024	**per share**	**Exercise period**
			HK$	
2023 Share Option	**160,000,000**	175,000,000	0.493	26 Sep 2024–30 Nov 2032

As at 31 August 2025, the Company had 230,287,254 share options outstanding under the 2018 Pre-IPO Share Option Scheme and 500,915,852 share options outstanding under the 2022 Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 731,203,106 additional ordinary shares of the Company and additional share capital of US$7,312 (equivalent to approximately RMB51,937) and share premium of RMB469,475,491 (before issue expenses).

At the date of approval of these financial statements, the Company had 731,203,106 share options outstanding in total under the 2018 Pre-IPO Share Option Scheme and the 2022 Share Option Scheme, which represented approximately 8.89% of the Company's shares in issue as at that date.

32. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 125 of the financial statements.

Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as a dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time when the proposed dividend is to be paid.

32. RESERVES *(continued)*

Capital reserve

The capital reserve represents the capital contributions from the then equity holders of the Group's subsidiaries, after the elimination of investments in subsidiaries.

Statutory surplus reserves

Pursuant to the relevant laws in the PRC, the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries. These reserves include (i) the general reserve of the limited liability companies and (ii) the development fund of schools.

(i) In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(ii) According to the relevant PRC laws and regulations, since 1 September 2021, a for-profit private school is required to appropriate to the development fund not less than 10% of the audited annual net income of the relevant school, while a non-profit private school is required to appropriate to the development fund not less than 10% of the audited annual increase in non-restricted net assets of the relevant school. The development fund is for the construction or maintenance of the schools or procurement or upgrade of educational equipment.

33. DISPOSAL OF SUBSIDIARIES

(a) On 24 April 2025, the Group entered into a sale and purchase agreement to dispose of its entire interests in Nanchang Dongmei Education Technology Co., Ltd. ("Nanchang Dongmei"), which holds a 100% sponsor right to Nanchang Vocational Institute and Jiangxi Fanmei Art Secondary Professional School ("Jiangxi Fanmei"). Both Nanchang Vocational Institute and Jiangxi Fanmei are engaging in the provision of education services. The disposal was made to an independent third party for a total consideration of RMB236,500,000 comprising: (i) debts of RMB226,500,000 to be repaid by Nanchang Dongmei, Nanchang Vocational Institute and Jiangxi Fanmei to the Group; and (ii) other debts of RMB10,000,000. The disposed entities are collectively referred to as Nanchang Group. The disposal was completed on 19 June 2025.

(b) On 12 June 2025, the Group entered into a sale and purchase agreement to dispose of its entire interests in Zhangshu Yude, which holds a 100% sponsor right to Jiangxi Zhangshu Vocational College of Chinese Medicine ("Zhangshu College") engaging in the provision of higher education services, to an independent third party for a total consideration of RMB370,000,000 comprising: (i) debts of RMB244,900,000 to be repaid by Zhangshu Yude and Zhangshu College to the Group; (ii) the equity interest consideration of RMB123,500,000; and (iii) other debts of RMB1,600,000. The disposed entities are collectively referred to as Zhangshu Group. The disposal was completed on 23 August 2025.

(c) On 11 August 2025, the Group entered into a sale and purchase agreement to dispose of its entire interests in Xi'an Changdian Education Management Co., Ltd. ("Xi'an Changdian"), which indirectly holds a 80% sponsor right to Guilin Shanshui Vocational College ("Shanshui College") and Affiliated Secondary Professional School of Guilin Shanshui Vocational College ("Shanshui Affiliated School"), both Shanshui College and Shanshui Affiliated School are engaging in the provision of education services, to an independent third party for a total consideration of RMB100,000,000 comprising: (i) debts of RMB51,100,000 to be repaid by Xi'an Changdian, Shanshui College and Shanshui Affiliated School to the Group; (ii) other debts of RMB27,720,000; and (iii) the equity interest consideration of RMB21,170,000. The disposed entities are collectively referred to as Shanshui Group. The disposal was completed on 18 August 2025.

33. DISPOSAL OF SUBSIDIARIES *(continued)*

The net assets of the disposed subsidiaries are as follows:

	Nanchang Group	Zhangshu Group	Shanshui Group	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Net assets disposed of:				
Property, plant and equipment	168,789	262,886	82,912	514,587
Right-of-use assets	38,445	39,863	109,009	187,317
Other intangible assets	1,742	658	1,911	4,311
Cash and bank balances	9,205	30,609	23,749	63,563
Pledged and restricted deposits	—	31,412	—	31,412
Trade receivables	543	—	—	543
Prepayments and other receivables	2,631	2,224	3,819	8,674
Goodwill	38,122	—	—	38,122
Other payables and accruals	(258,243)	(247,600)	(130,090)	(635,933)
Contract liabilities	(1,391)	(261)	(1,292)	(2,944)
Deferred income	(1,387)	(167,400)	(4,046)	(172,833)
Interest-bearing bank and other borrowings	—	—	(52,000)	(52,000)
Non-controlling interests	—	—	(6,805)	(6,805)
Subtotal	(1,544)	(47,609)	27,167	(21,986)
Gain on disposal of subsidiaries	1,544	171,109	(5,993)	166,660
Total transfer consideration	—	123,500	21,174	144,674
Satisfied by:				
Cash	—	74,100	10,000	84,100
Other receivables	—	49,400	11,174	60,574
Total	—	123,500	21,174	144,674

33. DISPOSAL OF SUBSIDIARIES *(continued)*

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Nanchang Group RMB'000	Zhangshu Group RMB'000	Shanshui Group RMB'000	Total RMB'000
Cash consideration	—	74,100	10,000	84,100
Cash and bank balances disposed of	(9,205)	(30,609)	(23,749)	(63,563)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(9,205)	43,491	(13,749)	20,537

34. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	**511,432**	600,241
Prepaid land lease payments	**37,732**	37,732
Acquisition of equity interests	**—**	66,781
Total	**549,164**	704,754

35. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Name and relationship

The directors of the Company are of the opinion that the following parties/companies are related parties that had significant transactions or balances with the Group during the year.

Related parties	Relationships
Mr. Wang Huiwu	One of the ultimate jointly controlling parties
Mr. Wang Degen	One of the ultimate jointly controlling parties
Sichuan Tequ Education Management Co., Ltd. ("Tequ Education")	A company jointly controlled by the controlling shareholders
Ziyang Automobile Science and Technology Vocational College ("Ziyang Automobile College")	A school controlled by Tequ Education
Sichuan Rongxing Driving School Co., Ltd. ("Rongxing Driving School")	A company controlled by Tequ Education
Chengdu Mayflower Property Management Co., Ltd. ("Chengdu Mayflower Property Management")	A company controlled by Mr. Wang Huiwu
Xiwang Tianyuan Insurance Brokage Co., Ltd. ("Tianyuan Insurance")	A company controlled by Mr. Wang Huiwu
Sichuan Wuyang Construction Project Co., Ltd. ("Wuyang Construction")	A company controlled by a close relative of Mr. Wang Huiwu
Chengdu Mayflower Senior Technical School ("Chengdu Mayflower Technical")	A school controlled by Tequ Education
Chengdu Wanfengyuan Catering Service Co., Ltd. ("Chengdu Wanfengyuan Catering Service")	A company controlled by a close relative of Mr. Wang Huiwu
Chengdu Pengyang Enterprise Management Consulting Limited ("Chengdu Pengyang")	A company controlled by Mr. Wang Huiwu
Sichuan Tequ Mayflower Education Management Co., Ltd. ("Sichuan Tequ Mayflower")	A company controlled by Mr. Wang Huiwu
Gongqing College of Nanchang University	Joint venture of the Group before 28 April 2024
Xian Siyuan Middle School	A school legally owned by the Group
Sichuan Mayflower Construction Project Co., Ltd. ("Sichuan Mayflower Construction")	A company controlled by Mr. Wang Huiwu
Sichuan Top Computer Vocational School	A school controlled by Tequ Education
Sichuan Baolian Liquor Co., Ltd.	A company controlled by a close relative of Mr. Wang Huiwu
Yinchuan Bahan Catering Management Co., Ltd.	A company controlled by Tequ Education
Chengdu Wukuaiwu Catering Management Co., Ltd.	A company jointly controlled by shareholders

35. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(a) Name and relationship *(continued)*

Related parties	Relationships
Chengdu Wuhou District Jiuyiling Cultural Training School Co., Ltd. ("Jiuyiling Cultural Training School")	A company controlled by Tequ Education
Chengdu Jiuhan Enterprise Management Co., Ltd. ("Chengdu Jiuhan")	A company controlled by Tequ Education
Sichuan Hope Agricultural Science and Technology Expo Park Co., Ltd.	A company controlled by a shareholder
Guizhou Ruoxiang Food and Beverage Service Co., Ltd.	A company controlled by Tequ Education
Mianzhu Golden May Real Estate Development Co., Ltd.	A company controlled by Mr. Wang Huiwu

(b) Transactions with related parties

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties:

(i) Loans provided to related parties:

	2025 RMB'000	2024 RMB'000
Gongqing College of Nanchang University		
Loans received	—	(13,575)
Interest expense charged	—	53
Interest received	—	(361)
Effective interest rate, per annum	—	6.5%–8%

35. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Transactions with related parties *(continued)*

(ii) Loans received from related parties:

	2025 RMB'000	2024 RMB'000
Loans received*	—	56,000
Loans repaid*	—	(56,514)
Effective interest rate, per annum	Nil	Nil

* The Group received loans from and repaid loans to Mr. Wang Huiwu, Sichuan Mayflower Construction, Sichuan Tequ Mayflower and Wuyang Construction during the years ended 31 August 2025 and 2024.

(iii) Procurement of property, equipment and fixtures

	2025 RMB'000	2024 RMB'000
Wuyang Construction	—	324,178

The considerations for the construction and procurement of properties were determined at prices mutually agreed between the Group and its related parties with reference to the local market prices and charging basis for the same services proposed by independent third parties and based on normal and reasonable commercial terms.

(iv) Goods purchased and services received from related parties

	2025 RMB'000	2024 RMB'000
Chengdu Mayflower Property Management	1,182	2,047
Sichuan Hope Agricultural Science and Technology Expo Park Co., Ltd	200	1,000
Other related parties	1,585	1,819
Total	2,967	4,866

35. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Transactions with related parties *(continued)*

(iv) Goods purchased and services received from related parties *(continued)*

The purchases of goods or services from the related parties were determined at prices mutually agreed between the Group and its related parties with reference to the pricing obtained from the market.

(v) Properties leased to related parties

	2025 RMB'000	2024 RMB'000
Sichuan Top Computer Vocational School	1,449	1,979
Rongxing Driving School	143	879
Ziyang Automobile College	282	786
Other related parties	161	3,313
Total	2,035	6,957

Rental charges were determined at prices mutually agreed between the Group and its related parties with reference to the prevailing market price of local properties in vicinity with similar size and quality.

(vi) Goods sold and services provided to related parties

	2025 RMB'000	2024 RMB'000
Chengdu Mayflower Property management	—	4,762
Chengdu Wukuaiwu Catering Management Co., Ltd.	1,293	4,459
Chengdu Jiuhan	698	2,956
Guizhou Ruoxiang Food and Beverage Service Co., Ltd.	375	1,804
Gongqing College of Nanchang University	—	31,912
Jiuyiling Cultural Training School	—	185
Other related parties	210	1,197
Total	2,576	47,275

Goods sold and services provided to the related parties were charged at prices mutually agreed between the Group and its related parties with reference to the pricing obtained from the market.

35. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Balances with related parties

The Group had outstanding balances due from and to related parties at the end of the reporting period.

Amounts due from related parties

		2025 RMB'000	2024 RMB'000
Trade in nature — current			
Yinchuan Bahan Catering Management Co., Ltd.		1,775	1,109
Chengdu Mayflower Property Management		1,164	858
Ziyang Automobile College		—	832
Sichuan Top Computer Vocational School		1,496	46
Chengdu Wanfengyuan Catering Service		—	32
Chengdu Mayflower Technical		—	3
Mianzhu Golden May Real Estate Development Co., Ltd.		824	—
Gongqing College of Nanchang University	(i)	—	11,218
Others		1,690	1,937
Total		6,949	16,035

(i) As at 31 August 2024, amounts due from Gongqing College of Nanchang University of RMB5,639,000 were included in "trade receivables" and RMB5,579,000 were included in "prepayments, deposits and other receivables".Amounts due from the related parties are unsecured, interest-free and have no fixed terms of repayment.

35. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Balances with related parties *(continued)*

Amounts due to related parties

	2025 RMB'000	2024 RMB'000
Trade in nature — current		
Wuyang Construction	6,226	54,880
Xian Siyuan Middle School	12,895	8,895
Sichuan Mayflower Construction	—	1,650
Chengdu Jiuhan	222	—
Others	1,245	1,750
Total	20,588	67,175

Amounts due to related parties are unsecured, interest-free and have no fixed terms of repayment.

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,884	2,953
Equity-settled share option expense	172	4,631
Pension scheme contributions	206	205
Total	3,262	7,789

Further details of directors' emoluments are included in note 8 to financial statements.

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash repayment of loans with its deposits amounting to RMB40,271,000 (2024: RMB9,600,000).

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Convertible bonds RMB'000	Other payables and accruals RMB'000	Lease liabilities RMB'000	Total RMB'000
31 August 2025					
At 1 September 2024	3,237,361	1,976,664	226,324	133,824	5,574,173
Changes from financing cash flows	(200,317)	(191,220)	304,133	(37,468)	(124,872)
Non-cash changes:					
New leases	—	—	—	15,521	15,521
Lease modification	—	—	—	875	875
Lease termination	—	—	—	(9,494)	(9,494)
Fair value changes of convertible bonds	—	(615,106)	—	—	(615,106)
Foreign exchange differences	6,463	3,777	—	1,586	11,826
Repayment of loans with its deposits	(40,271)	—	1,254	—	(39,017)
Interest capitalised	—	—	18,635	—	18,635
Decrease due to disposal of subsidiaries	(52,000)	—	(70,000)	—	(122,000)
Transfer to liabilities held for sale	(127,750)	—	(275,900)	—	(403,650)
Other classification	—	—	(18,000)	—	(18,000)
Interest expense	1,150	—	172,220	8,066	181,436
At 31 August 2025	2,824,636	1,174,115	358,666	112,910	4,470,327

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Changes in liabilities arising from financing activities *(continued)*

	Interest-bearing bank and other borrowings RMB'000	Convertible bonds RMB'000	Other payables and accruals RMB'000	Lease liabilities RMB'000	Amount due to a related party RMB'000	Total RMB'000
31 August 2024						
At 1 September 2023	3,473,013	2,183,887	132,656	149,826	514	5,939,896
Changes from financing cash flows	(282,576)	—	(35,929)	(38,447)	(514)	(357,466)
Non-cash changes:						
New leases	—	—	—	12,028	—	12,028
Fair value changes of convertible bonds	—	(186,516)	—	—	—	(186,516)
Foreign exchange differences	19,043	(20,707)	—	721	—	(943)
Repayment of loans with its deposits	(9,600)	—	11,349	—	—	1,749
Interest capitalised	—	—	19,927	—	—	19,927
Decrease due to disposal of subsidiaries	—	—	(98,039)	—	—	(98,039)
Interest expense	37,481	—	196,360	9,696	—	243,537
At 31 August 2024	3,237,361	1,976,664	226,324	133,824	—	5,574,173

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	**16,947**	29,915
Within investing activities	**230,860**	26,339
Within financing activities	**37,468**	38,447
Total	**285,275**	94,701

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost:		
Cash and cash equivalents	**2,647,537**	2,549,299
Financial assets included in prepayments, deposits and other receivables	**1,003,104**	938,602
Trade receivables	**99,625**	83,683
Time Deposits	**185,915**	—
Pledged and restricted deposits	**458,136**	551,455
Amounts due from related parties	**6,949**	4,817
Total	**4,401,266**	4,127,856

Financial liabilities

	2025 RMB'000	2024 RMB'000
Financial liabilities at fair value through profit or loss:		
Convertible bonds	**1,174,115**	1,976,664
Financial liabilities at amortised cost:		
Trade payables	**48,082**	57,286
Amounts due to related parties	**20,588**	67,175
Interest-bearing bank and other borrowings	**2,824,636**	3,237,361
Lease liabilities	**112,910**	133,824
Liability of a put option granted to a shareholder	**374,160**	352,605
Dividend payable	**178**	550
Financial liabilities included in other payables and accruals	**3,297,313**	2,848,788
Total	**6,677,867**	6,697,589

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets				
Pledged and restricted deposits, non-current portion	—	7,520	—	7,520
Other receivables, non-current portion	133,527	237,760	133,527	237,760
Total	133,527	245,280	133,527	245,280
Financial liabilities				
Other payables, non-current portion	814,213	457,213	814,213	457,213
Liability of a put option granted to a minority shareholder	374,160	352,605	374,160	352,605
Convertible bonds	1,174,115	1,976,664	1,174,115	1,976,664
Interest-bearing bank loans, non-current portion	1,435,438	1,182,582	1,373,325	1,142,593
Total	3,797,926	3,969,064	3,735,813	3,929,075

Management has assessed that the fair values of cash and cash equivalents, trade receivables, the current portion of the pledged and restricted deposits, the current portion of financial assets included in prepayments, deposits and other receivables, the current portion of financial liabilities included in other payables and accruals, trade payables, short-term interest-bearing bank and other borrowings and amounts due from/to related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group has estimated the fair value of the non-current portion of pledged and restricted deposits and the non-current portion of financial assets included in prepayments, deposits and other receivables by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the non-current interest-bearing bank and other borrowings, and the non-current other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for non-current financial liabilities as at 31 August 2025 were assessed to be insignificant.

The fair value of convertible bonds is measured using the binomial model. The model incorporates unobservable inputs including share price volatility and discount rate. Below is a summary of significant unobservable inputs to the valuation of convertible bonds together with a quantitative sensitivity analysis as at 31 August 2025:

	Valuation technique	Significant unobservable input	Rate	Sensitivity of fair value to the input
Financial liabilities designated as at fair value through profit or loss (convertible bonds)	Binomial model	Volatility of share price	35.35% (2024: 8.58%)	5% increase/decrease in multiple would result in increase/decrease in fair value by Nil/Nil
		Discount rate	14.12% (2024:12.39%)	5% increase/decrease in multiple would result in decrease/increase in fair value by Nil/Nil

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

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

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 August 2025				
Convertible bonds	—	—	**1,174,115**	**1,174,115**
As at 31 August 2024				
Convertible bonds	—	—	1,976,664	1,976,664

Assets for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 August 2025				
Other receivables, non-current potion	—	—	**133,527**	**133,527**
As at 31 August 2024				
Pledged and restricted deposits, non-current portion	—	7,520	—	7,520
Other receivables, non-current potion	—	—	237,760	237,760
Total	—	7,520	237,760	245,280

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 August 2025				
Interest-bearing bank loans, non-current portion	—	—	**1,373,325**	**1,373,325**
Liability of a put option granted to a shareholder	—	—	**374,160**	**374,160**
Other payables, non-current potion	—	—	**814,213**	**814,213**
Total	—	—	**2,561,698**	**2,561,698**
As at 31 August 2024				
Interest-bearing bank loans, non-current portion	—	—	1,142,593	1,142,593
Liability of a put option granted to a shareholder	—	—	352,605	352,605
Other payables, non-current potion	—	—	457,213	457,213
Total	—	—	1,952,411	1,952,411

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, convertible bonds, cash and cash equivalents and financial assets included in prepayments, deposits, other receivables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, trade payables, other payables and accruals, amounts due from related parties and amounts due to related parties, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's interest-bearing bank and other borrowings. The interest rates and terms of repayments of the borrowings are disclosed in note 27 to the financial statements. The Group manages its interest rate exposure arising from its interest-bearing bank and other borrowings through the use of fixed rates.

The Group does not consider that it has any significant exposure to the risk of changes in market interest rates as the Group does not have any long-term receivables and loans which are subject to floating interest rates.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group had currency exposures from its cash and cash equivalents, interest-bearing bank borrowings and convertible bonds. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US$ and HK$ exchange rate, with all other variables held constant, of the Group's profit after tax.

	Increase/ (decrease) in US$/HK$ rate%	Increase/ (decrease) in profit after tax RMB'000
At 31 August 2025		
If the RMB weakens against US$	**(0.5)**	**(5,281)**
If the RMB strengthens against US$	**0.5**	**5,281**
If the RMB weakens against HK$	**(0.5)**	**16**
If the RMB strengthens against HK$	**0.5**	**(16)**
At 31 August 2024		
If the RMB weakens against US$	(0.5)	(9,883)
If the RMB strengthens against US$	0.5	9,883
If the RMB weakens against HK$	(0.5)	70
If the RMB strengthens against HK$	0.5	(70)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligation. Deposits are mainly placed with licensing banks which are all financial institutions of high credit quality. The Group's maximum exposure to credit risk refers to the carrying amounts of cash and cash equivalents, trade and other receivables and amounts due from related parties.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and fiscal year-end staging classification as at 31 August 2025 and 2024. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
31 August 2025					
Financial assets included in prepayments, deposits and other receivables					
— Normal**	893,958	—	—	—	893,958
— Doubtful**	—	—	309,461	—	309,461
Cash and cash equivalents	2,647,537	—	—	—	2,647,537
Time Deposits	185,915	—	—	—	185,915
Pledged and restricted deposits	458,136	—	—	—	458,136
Trade receivables*	—	—	—	99,625	99,625
Amounts due from related parties	6,949	—	—	—	6,949
Total	4,192,495	—	309,461	99,625	4,601,581

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Maximum exposure and year-end staging (continued)

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
31 August 2024					
Financial assets included in prepayments, deposits and other receivables					
— Normal**	722,843	—	—	—	722,843
— Doubtful**	—	—	469,653	—	469,653
Cash and cash equivalents	2,549,299	—	—	—	2,549,299
Pledged and restricted deposits	551,455	—	—	—	551,455
Trade receivables*	—	—	—	83,683	83,683
Amounts due from related parties	4,817	—	—	—	4,817
Total	3,828,414	—	469,653	83,683	4,381,750

* For trade receivables to which the Group applies the simplified approach for impairment, the expected loss allowance for these balances was not material during the reporting period.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

As at 31 August 2025 and 2024, substantially all of the bank deposits were deposited with major financial institutions incorporated in the PRC and Malaysia, which management believes that they are of high credit quality without significant credit risk.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Maximum exposure and year-end staging *(continued)*

All of the trade receivables, other receivables and amounts due from related parties have no collateral or guarantee, except for the loans and interest receivables from third parties (note 20(a)). The Group assesses the credit quality of the counterparties by taking into account their financial position, credit history of failure to make payments on their contractual due date, the existence of forecast changes in the market or environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group and other factors. Management also regularly reviews the recoverability of these receivables and follows up on disputes or amounts overdue, if any. Further quantitative data in respect of the Group's exposure to credit risk arising from these receivables with no collateral or guarantee are disclosed in note 19 and note 20(c) to the financial statements.

For loans and interest receivables from the third parties with collaterals (note 20(a)), management is of the opinion that the expected cash flows determined by independent qualified valuers to receive from the sale of collaterals held, discounted at an approximation of the original effective interest rate, are lower than the aggregate amounts of the loans and the interest receivables with collateral. Further quantitative data in respect of the Group's exposure to credit risk arising from these loans and interest receivables are disclosed in note 20(a) to the financial statements.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available, reasonable and supportive forward-looking information.

As at 31 August 2025, there were no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed. As at 31 August 2024, the Group had certain concentrations of credit risk as 8% of the Group's trade receivables were due from the government agencies, within the domestic education segment. The Group has delegated a team responsible for the determination of monitoring procedures to ensure that there will be a follow-up action to recover these trade receivables.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings, convertible bonds and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	31 August 2025					
	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Convertible bonds	—	1,174,115	—	—	—	1,174,115
Interest-bearing bank and other borrowings	278,979	400,623	766,253	1,572,921	—	3,018,776
Financial liabilities included in other payables and accruals	2,030,178	88,264	582,685	576,400	141,000	3,418,527
Lease liabilities	—	2,540	17,412	52,006	48,374	120,332
Trade payables	—	37,459	10,623	—	—	48,082
Dividend payable	178	—	—	—	—	178
Amounts due to related parties	20,588	—	—	—	—	20,588
Total	2,329,923	1,703,001	1,376,973	2,201,327	189,374	7,800,598

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk *(continued)*

	31 August 2024					
	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Convertible bonds	—	—	—	2,355,638	—	2,355,638
Interest-bearing bank and other borrowings	272,264	871,400	968,514	1,405,358	—	3,517,536
Financial liabilities included in other payables and accruals	1,758,845	204,611	430,976	708,055	222,600	3,325,087
Lease liabilities	—	10,479	28,889	90,867	41,754	171,989
Trade payables	—	26,252	31,034	—	—	57,286
Dividend payable	550	—	—	—	—	550
Amounts due to related parties	67,175	—	—	—	—	67,175
Total	2,098,834	1,112,742	1,459,413	4,559,918	264,354	9,495,261

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group will minimise the capital expenditure and renew or extend its short-term loans as part of capital management.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 August 2025 and 2024.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management *(continued)*

The debt-to-asset ratio as at the end of the year is as follows:

	2025 RMB'000	2024 RMB'000
Total liabilities	**12,415,062**	13,127,021
Total assets	**21,997,204**	22,281,511
Debt-to-asset ratio	**56%**	59%

40. EVENTS AFTER THE REPORTING PERIOD

a) As disclosed in note 28, the Group restructured the Convertible Bonds through early redemption on the terms and conditions agreed with the holders of the Convertible Bonds. On 25 September 2025, the Company announced that, the Group had redeemed all of the outstanding Convertible Bonds at US$162,668,300 as the settlement amount as set out in the terms and conditions of the Convertible Bonds. The Company has also allocated and issued a total of 4,168,549 ordinary shares in accordance with a conversion notice received by the Company on 18 September 2025 related to the Convertible Bonds with a principal amount of US$2,070,000, with further details in the announcement.

b) On 16 November 2025, the Group entered into an equity transfer agreement with Xi'an Dianzhen Industrial Co., Ltd. to dispose its entire interest in Xi'an Beinuosi Education Management Co., Ltd., which holds a 70.03% sponsor right of Shaanxi University, at a consideration of RMB10,000,000. Please refer to the announcement of the Company dated 17 November 2025 for more details.

c) On 23 September 2025, based on the acceptance results of the rights issue and the placing results of the unsubscribed arrangements, the rights shares (including the unsubscribed rights shares) to be allotted and issued amounted to 444,792,885 rights shares. The net proceeds (after deducting all relevant expenses) from the rights issue were approximately HK$87.4 million.

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the year is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Due from subsidiaries	4,867,342	4,763,324
Investments in subsidiaries	1,240,414	1,242,334
Total non-current assets	6,107,756	6,005,658
CURRENT ASSETS		
Prepayments and other receivables	193	193
Pledged and restricted deposits	—	13,869
Cash and cash equivalents	121,474	156
Due from subsidiaries	1,625,289	1,621,951
Total current assets	1,746,956	1,636,169
CURRENT LIABILITIES		
Other payables and accruals	163,341	44,102
Amounts due to subsidiaries	2,156,294	2,119,635
Total current liabilities	2,319,635	2,163,737
NET CURRENT LIABILITIES	(572,679)	(527,568)
NET ASSETS	5,535,077	5,478,090
EQUITY		
Issued capital	559	559
Reserves (note)	5,534,518	5,477,531
Total equity	5,535,077	5,478,090

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 September 2023	5,131,685	136,986	140,062	5,408,733
Profit and total comprehensive income for the year	—	—	27,799	27,799
Equity-settled share options — 2023 Share Option	—	40,999	—	40,999
Transfer of share option reserve upon the forfeiture of share options	—	(6,217)	6,217	—
At 31 August 2024 and 1 September 2024	**5,131,685**	**171,768**	**174,078**	**5,477,531**
Profit and total comprehensive income for the year	—	—	**54,239**	**54,239**
Equity-settled share options — 2023 Share Option	—	**2,748**	—	**2,748**
Transfer of share option reserve upon the forfeiture of share options	—	**(7,945)**	**7,945**	—
At 31 August 2025	**5,131,685**	**166,571**	**236,262**	**5,534,518**

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 November 2025.

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the meanings set forth below:

"2018 Pre-IPO Share Option Scheme"	The 2018 pre-IPO share option scheme conditionally approved and adopted by our Shareholders on 18 March 2018 for the benefit of, amongst others, our Group's directors, senior management, employees, advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners and service providers, a summary of the principal terms of which is set out in "Appendix V — Statutory and General Information" of the Prospectus
"Board" or "Board of Directors"	The board of Directors of the Company
"Business Day"	A day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CG Code" or "Corporate Governance Code"	The code on corporate governance practices set out in Appendix C1 to the Listing Rules
"China" or "PRC"	The People's Republic of China excluding for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"College of Science and Technology"	Guizhou Qiannan College of Science and Technology* (貴州黔南科技學院)
"Company" or "our Company"	XJ International Holdings Co., Ltd. (希教國際控股有限公司) (formerly known as Hope Education Group Co., Ltd. (希望教育集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
"Director(s)"	The directors of our Company
"Group", "our Group", "We" or "Us"	Our Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
"HK$" or "Hong Kong Dollar(s)"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS Accounting Standards"	The International Financial Reporting Standard(s)
"Independent Third Party(ies)"	An individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates

"Listing"	The listing of the Company's Shares on the Main Board
"Listing Date"	3 August 2018, the date on which the Company's Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"M&A"	Mergers and acquisitions
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MOE"	Ministry of Education of the PRC
"Prospectus"	The prospectus published by the Company on 24 July 2018
"Reporting Period"	The year ended 31 August 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency for the time being of the PRC
"SFO" or "Securities and Futures Ordinance"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	Ordinary share(s) of a nominal value of US$0.00001 each in the share capital of our Company
"Shareholder(s)"	Holder(s) of the Share(s)
"Sichuan Hope College"	Southwest Jiaotong University Hope College* (西南交通大學希望學院)
"Sichuan Hope Education"	Sichuan Hope Education Industry Group Limited* (四川希望教育產業集團有限公司) (formerly known as Sichuan Mayflower Investment Company Limited (四川五月花投資有限公司), Sichuan Hope Mayflower Investment Limited (四川希望五月花投資有限公司), Sichuan Hope Education Industry Company Limited (四川希望教育產業有限公司)), a limited liability company established under the laws of PRC on 12 January 2005
"State"	The central government of the PRC, including all governmental sub-divisions (such as provincial, municipal and other regional or local government entities)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Tequ Education"	Sichuan Tequ Education Management Limited* (四川特驅教育管理有限公司), a limited liability company established under the laws of PRC on 30 November 2017 following the division under reorganization, the shareholding of which largely mirrors that of XJ International and is indirectly controlled by Mr. Wang Huiwu
"U.S." or "United States"	The United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Dollar(s)" or "US$" or "USD"	United States dollars, the lawful currency for the time being of the United States
"%"	Percent