



# Chen Lin Education Group Holdings Limited 辰林教育集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1593

Annual Report  
**2025**



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# DEFINITIONS

"2026 AGM"	the annual general meeting of the Company scheduled to be held on Thursday, 12 February 2026
"Articles of Association"	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
"Audit Committee"	the audit committee of the Board, comprising solely the independent non-executive Directors
"Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"CEO"	the chief executive officer of the Company
"CFO"	the chief financial officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Chen Lin Education Science"	Chen Lin Education Science (Jiangxi) Group Co., Ltd. (辰林教育科技(江西)集團有限責任公司), a wholly-foreign owned enterprise incorporated under the laws of the PRC with limited liability on 5 September 2018 and indirectly wholly-owned by the Company
"Chen Lin Elite Holdings"	Chen Lin Elite Holdings Limited, a company incorporated under the laws of the BVI on 5 July 2018 and wholly-owned by Huangyulin Holdings
"Chen Lin High School"	Zhengzhou Airport Economy Zone Chen Lin High School (鄭州航空港區辰林高級中學), a private high school located in Henan Province, the PRC, established in 2017, which offers high school programs, and the sponsor of which is Henan Kunren and one of the Consolidated Affiliated Entities
"China" or "PRC"	the People's Republic of China, unless otherwise stated, excludes Hong Kong, the Macau Special Administrative Region and Taiwan of China
"Company" or "our Company"	Chen Lin Education Group Holdings Limited (辰林教育集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on 25 May 2018 and the Shares were listed on the Main Board of the Stock Exchange on 13 December 2019 (Stock Code: 1593)
"Companies Act"	the Companies Act (2023 Revision) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time)



# DEFINITIONS

“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely Chen Lin High School, Gan Zhou Chen Lin, Guizhou College, Guizhou Jishi College, Guizhou Xikai, Henan Kunren, Jiangxi Jishi College, JXIAS, Nanchang Di Guan and Ruicheng Education
“Consultation Conclusions”	consultation conclusions on the proposed amendments to the Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022
“Contractual Arrangements”	certain contractual arrangements entered by us on 15 September 2018
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Huang Yulin, the Chairman, CEO and an executive Director, as well as Huangyulin Holdings and Chen Lin Elite Holdings
“Director(s)”	the director(s) of the Company
“double qualification teachers”	full-time teachers with title of lecturer and above in addition to professional qualification or industry experience
“Gan Zhou Chen Lin”	Gan Zhou Chen Lin Education Investment Co., Ltd. (贛州辰林教育投資有限公司), a company established under the laws of the PRC with limited liability, one of the Consolidated Affiliated Entities
“Group”, “we” or “us”	the Company and all of its subsidiaries and Consolidated Affiliated Entities whose financial results have been consolidated and accounted as the subsidiaries of our Company by virtue of the Contractual Arrangements, or, where the context so requires, in respect of the period before our Company became the holding company of our current subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“Guizhou College”	Guizhou Vocational College of Industry and Trade (貴州工貿職業學院), a higher vocational college located in Guizhou Province, the PRC, established in May 2015, which offers vocational programs and junior college programs, and the sponsor of which is Guizhou Xikai, one of the Consolidated Affiliated Entities
“Guizhou Jishi College”	Guizhou Chenlin Industry and Trade Technician College (貴州辰林工貿技師學院), a private full-time vocational college located in Bijie, Guizhou Province, the PRC, established in October 2024, which offers vocational programs and is held by Guizhou Xikai, one of the Consolidated Affiliated Entities
“Guizhou Xikai”	Guizhou Xikai Education Investment Co., Ltd. (貴州西凱教育投資有限公司), a company established under the laws of the PRC with limited liability in May 2015, being the sponsor of Guizhou College, one of the Consolidated Affiliated Entities



# DEFINITIONS

“Henan Kunren”	Henan Kun Ren Education Science Technology Co., Ltd. (河南坤仁教育科技有限公司), a company established under the laws of the PRC with limited liability in May 2017, being the sponsor of Chen Lin High School, one of the Consolidated Affiliated Entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangyulin Holdings”	Huangyulin Holdings Limited, a company incorporated under the laws of the BVI in May 2018 and wholly-owned by Mr. Huang Yulin, an executive Director, one of the controlling shareholders
“IFRSs”	the International Financial Reporting Standards
“Independent Third Party(ies)”	an individual(s) or company(ies) who or which is/are to the best of our Director's knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons as defined under the Listing Rules
“Jiangxi Jishi College”	Jiangxi College of Arts and Sciences Technicians (江西文理技師學院), a full-time vocational college located in Jiangxi Province, the PRC, established in November 2019, comprising two campuses in Nanchang and Longnan, Jiangxi Province, the PRC, which offers vocational programs, and the sponsor of which is Ruicheng Education and one of the Consolidated Affiliated Entities
“JXIAS”	Jiangxi Institute of Applied Science and Technology (江西應用科技學院), a private university located in Jiangxi Province, the PRC, established in April 2002, which offers both undergraduate and junior college programs, and the sponsor of which is Nanchang Di Guan and one of the Consolidated Affiliated Entities
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Model Code”	the Model Code of Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nanchang Di Guan”	Nanchang Di Guan Education Consultancy Co., Ltd. (南昌迪冠教育諮詢有限公司), a company established under the laws of the PRC with limited liability in September 2009, being the sponsor of JXIAS and one of the Consolidated Affiliated Entities
“Prospectus”	the prospectus of the Company dated 27 November 2019
“Reporting Period”	the year ended 31 August 2025

# DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share units granted pursuant to the RSU Scheme
“RSU Scheme”	the restricted share unit scheme adopted by the Board on 20 August 2019 and amended by an ordinary resolution passed by the Shareholders on 30 January 2023
“Ruicheng Education”	Nanchang Ruicheng Education Consultancy Co., Ltd. (南昌市瑞誠教育諮詢有限公司), a company established under the laws of the PRC with limited liability in June 2020, being the sponsor of Jiangxi Jishi College and one of the Consolidated Affiliated Entities
“Schools”	JXIAS, Jiangxi Jishi College, Guizhou College, Guizhou Jishi College and Chen Lin High School, which are the five schools owned and operated by our Group as at 31 August 2025
“senior management”	the senior management of the Group
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury shares”	has the meaning as defined under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

# CORPORATE PROFILE

## BOARD OF DIRECTORS

### Executive Directors

Mr. Huang Yulin (*Chairman and CEO*)  
Mr. Wang Li (*co-president*)  
Ms. Gan Tian (*co-president*)  
Ms. She Hui (*chief financial officer*)  
(*appointed with effect from 1 January 2025*)  
Mr. Liu Chunbin (*vice president*)  
(*resigned with effect from 1 January 2025*)

### Independent Non-executive Directors

Mr. Sy Lai Yin, Sunny  
Mr. Wang Donglin  
Mr. Qin Huimin (*appointed with effect from 1 January 2025*)  
Mr. Chen Wanlong (*resigned with effect from 1 January 2025*)  
Mr. Huang Juyun (*resigned with effect from 1 January 2025*)

## AUDIT COMMITTEE

Mr. Sy Lai Yin, Sunny (*Chairman*)  
Mr. Wang Donglin  
Mr. Qin Huimin (*appointed with effect from 1 January 2025*)  
Mr. Chen Wanlong (*resigned with effect from 1 January 2025*)  
Mr. Huang Juyun (*resigned with effect from 1 January 2025*)

## REMUNERATION COMMITTEE

Mr. Qin Huimin (*Chairman*) (*appointed with effect from 1 January 2025*)  
Mr. Sy Lai Yin, Sunny  
Mr. Wang Li  
Mr. Chen Wanlong (*Chairman*) (*resigned with effect from 1 January 2025*)  
Mr. Huang Juyun (*resigned with effect from 1 January 2025*)

## NOMINATION COMMITTEE

Mr. Wang Donglin (*Chairman*)  
(*appointed as the chairman with effect from 1 January 2025*)  
Ms. Gan Tian  
Mr. Qin Huimin (*appointed with effect from 1 January 2025*)  
Mr. Huang Juyun (*Chairman*) (*resigned with effect from 1 January 2025*)  
Mr. Chen Wanlong (*resigned with effect from 1 January 2025*)

## COMPANY SECRETARY

Ms. Yu Anne

## AUTHORISED REPRESENTATIVES

(*for the purpose of Rule 3.05 of the Listing Rules*)  
Mr. Huang Yulin  
Ms. Yu Anne

## AUDITOR

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

## LEGAL ADVISER

As to Hong Kong law  
Eric Chow & Co.  
in Association with Commerce & Finance Law Offices  
3401, Alexandra House  
18 Chater Road  
Central  
Hong Kong

## STOCK CODE

1593

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

Walkers Corporate Limited  
190 Elgin Avenue  
George Town  
Grand Cayman KY1-9008  
Cayman Islands



# CORPORATE PROFILE

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 001, Xinjian Lianfu Dadao  
Nanchang  
Jiangxi  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited  
190 Elgin Avenue  
George Town  
Grand Cayman KY1-9008  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

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

## PRINCIPAL BANKS

(in alphabetical order)  
Bank of Beijing Co., Ltd.  
Bank of China Limited  
Bank of Jiujiang Co., Ltd.  
China CITIC Bank Corporation Limited  
China Everbright Bank Co., Ltd.  
China Merchants Bank Co., Ltd.  
China Zheshang Bank Co., Ltd.  
Shanghai Pudong Development Bank Co., Ltd.

## COMPANY'S WEBSITE

[www.chenlin-edu.com](http://www.chenlin-edu.com)

# CHAIRMAN'S STATEMENT

Dear Shareholders and investors,

On behalf of the Board of Chen Lin Education Group Holdings Limited, we are pleased to present you our 2025 annual report for the year ended 31 August 2025.

For the year ended 31 August 2025, with your support and the united efforts of all employees, the Company achieved stable growth in revenue from its main business, with audited total revenue exceeding RMB600.7 million for the financial year of 2025. The adjusted earnings before interest, taxes, depreciation and amortisation ("**Adjusted EBITDA**") amounted to RMB184.5 million for the financial year of 2025. We have maintained robust core profitability, continuously optimized our debt structure, and essentially completed and put into use the construction projects of the Group's Schools. As of 31 August 2025, the Schools under our Group had enrolled over 30,000 students. The Group has long been focused on providing full-system applied undergraduate education, vocational education and quality high school education services, with business operations continuously improving steadily.

In January 2025, the Central Committee of the Communist Party of China and the State Council issued the Outline of the Plan for Building a Leading Country in Education (2024-2035) (《教育強國建設規劃綱要(2024–2035年)》), which points out the need to advance the reform and development of higher education institutions by category, differentiating them based on their fundamental orientations, such as research-oriented, application-oriented and skill-oriented, and distinguishing their basic directions as comprehensive or specialized, clarifying the developmental positioning for various types of institutions and supporting their differentiated development. It further clarifies and emphasizes accelerating the construction of a modern vocational education system, cultivating master craftsmen, skilled artisans and highly skilled talents, deepening and shaping new forms of industry-education integration, and promoting the digital transformation of education.

We closely follow national policies and are committed to establishing and developing a multi-dimensional modern vocational education system. We are deeply implementing the development strategy of "Building schools with quality, strengthening schools with talents, shaping schools with culture, and promoting schools with characteristics" (「質量立校、人才強校、文化鑄校、特色興校」), comprehensively advancing internal and quality development, aligning with and serving regional economic development. Based on market and industry needs, we continuously optimize academic disciplines and talent cultivation programs, further deepen industry-education integration, enhance social services and continuously improve the educational level of Schools and the quality of applied talents cultivation.

## I. Focus on Internal and Quality Development, Achieving Remarkable Results

JXIAS of the Group has successfully passed the qualification assessment of undergraduate education. Its course of Modern Logistics was approved as a National First-Class Undergraduate Course. The Intelligent Manufacturing Artisan College (智能製造工匠學院) was successfully selected and officially named a "Jiangxi Provincial Education System Artisan College (江西省教育系統工匠學院)", the only private institution in Jiangxi Province to receive this honor to date. Furthermore, the Nanchang Key Laboratory for Laser Processing Manufacturing and Material Modification (南昌市激光加工製造及材料改性重點實驗室), established by this School, successfully passed the assessment and evaluation for Nanchang key laboratories.

# CHAIRMAN'S STATEMENT

## 2. Significant Achievements in Promoting Teaching and Learning through Competitions, with Continuous Success

Faculty from JXIAS won 2 second prizes in the Digital Intelligent Business Decision Competition for Faculty Members of the Fourth Session of National University Innovation Competition for Digital Intelligent Business Decision (全國第四屆高校數智化商業決策創新大賽教師組數智商業決策競賽賽道), 1 second prize and 1 third prize in the 13th Future Designer National Art and Design Teachers' Teaching Innovation Competition (第十三屆未來設計師・全國藝術設計教師教學創新大賽), 1 second prize, 1 third prize, and 1 award of excellence in the Sixth National University Blended Teaching Design Innovation Competition (第六屆全國高校混合式教學設計創新大賽), 1 second prize, 3 third prizes, and 1 award of excellence in the 16th "Foreign Language Teaching and Research Press Cup" National College Foreign Language Teaching Competition (第十六屆「外教社杯」全國高校外語教學大賽國賽), and 1 first prize in the Jiangxi Provincial Young Teachers' Teaching Basic Skills Competition for Ideological and Political Courses and Red Culture Courses (江西省高校思政課和紅色文化課程青年教師教學基本功比賽). For the year ended 31 August 2025, students from JXIAS participated in various student competitions, achieved a total of 1,516 honors at the provincial level and above, including 657 national-level honors, reaching a new high. Students have been striving courageously in various competitions, repeatedly achieving excellent results, showing their extraordinary strength and potential. Students from JXIAS won 1 provincial special prize, 6 provincial second prizes, and 7 provincial third prizes in the 19th "Challenge Cup" National College Extracurricular Academic and Technological Works Competition (第十九屆「挑戰杯」全國大學生課外學術科技作品競賽), and JXIAS will host the 20th "Challenge Cup" Jiangxi Provincial College Extracurricular Academic and Technological Works Competition (第二十屆「挑戰杯」江西省大學生課外學術科技作品競賽), marking the first time a private university in Jiangxi has undertaken this role. Furthermore, they obtained 1 national gold prize in the Seventh China Youth Volunteer Service Project Competition (全國第七屆中國青年志願服務項目大賽), being the only private university in Jiangxi received this honor; 25 provincial-level or higher awards in the National College E-commerce "Innovation, Creativity, and Entrepreneurship" Challenge (全國大學生電子商務「創新、創意及創業」挑戰賽); 58 provincial-level or higher awards each in the "CP Cup" National Market Investigation and Analysis Competition for College Students (「正大杯」全國大學生市場調查與分析大賽) and the National College Students Competition on Energy Economics (全國大學生能源經濟學術創意大賽); 22 national awards in the National Business Simulation Contest for College Students (全國大學生企業競爭模擬大賽); 33 provincial-level or higher awards in the Global Artificial Intelligence Algorithm Elite Competition (全球人工智能精英算法大賽); and 7 provincial awards along with the Outstanding Organization Unit recognition in the "August 1st Cup" Jiangxi Provincial War Game Simulation Competition (江西省「八一杯」兵棋推演大賽). In many of these competitions, JXIAS ranked first in the number of awards received among private universities in Jiangxi, fully demonstrating its exceptional talent cultivation quality as well as the students' strong professional competence and practical abilities. Teachers from Guizhou Vocational College of Industry and Trade participated in the Third High-Quality Course Competition for Art Education Teachers in Regular Higher Education Institutions by Guizhou Provincial Department of Education (Teaching Skills Competition Category) (貴州省教育廳第三屆普通高校藝術教育教師優質課比賽(教師技能競賽類)), winning 4 second prizes. During the Reporting Period, students from the college achieved a total of 117 awards in national and provincial competitions, including 4 national special prizes, 3 national second prizes, 4 national third prizes, 20 provincial first prizes, 40 provincial second prizes, and 46 provincial third prizes, setting a new record. In the National Finals of the 15th National College E-commerce "Innovation, Creativity, and Entrepreneurship" Challenge (第十五屆全國大學生電子商務「創新、創意及創業」挑戰賽), students won 3 special prizes in the live e-commerce track and 1 special prize in the rural revitalization practical track. Moreover, they secured 1 second prize, along with 4 first prizes and 7 second prizes in the Guizhou provincial division in the National Finals the 13th Future Designer NCDA Competition (第十三屆未來設計師NCDA大賽); 1 provincial first prize and 1 second prize in 2025 The Cup of CCB Guizhou Province College Students Innovation Competition (「建行杯」貴州省大學生創新大賽(2025)); 2 provincial first prizes in the 19th China Creative Challenges Contest (中國好創意(第十九屆)暨全國數字藝術設計大賽); 5 second prizes and 1 third prize in the 2025 Guizhou Provincial Vocational College Skills Competition & World Vocational College Skills Competition 2025 (2025貴州省職業院校技能大賽暨世界職業院校技能大賽); and 8 provincial second prizes in the 9th Milan Design Week China Collegiate Design Competition & Exhibition (Vocational Education Track) (第九屆「米蘭設計周——中國高校設計學科師生優秀作品展」(職教賽道)).



# CHAIRMAN'S STATEMENT

## 3. Deepening Industry-Education Integration and Collaborative Talent Cultivation to Boost Industrial Upgrading

The Group consistently adheres to an industry-service orientation, continuously promoting the deep integration of the education chain and the industrial chain. Through project-based teaching and scenario-based learning, we strengthen the organic combination of classroom teaching and enterprise practice, focusing on enhancing students' comprehensive abilities in real-world situations, thereby providing robust support for cultivating high-quality applied talents.

Through in-depth cooperation with leading industry enterprises and based on the Eight Shared principles—"jointly setting majors, formulating programs, compiling textbooks, implementing teaching, cultivating faculty, building bases, assisting employment, and sharing outcomes"「專業共設、方案共制、教材共編、教學共施、師資共培、基地共建、就業共助、成果共享」, the Group establishes industrial colleges to cultivate applied talents meeting market and industry demands. During the Reporting Period, the Group newly established the NetEase AI Industrial College (網易人工智能產業學院), Short Video Industrial College (短視頻產業學院), Digital Information Industrial College (數字信息產業學院), and spearheaded the establishment of the Guizhou Bijie New Energy Industry-Education Consortium (貴州省節新市新能源產教聯合體). By the end of the Reporting Period, a total of 10 industrial colleges has been established by the members under the Group, covering multiple industry sectors, enabling collaborative talent cultivation with industry enterprises and jointly promoting industrial upgrading.

## 4. Comprehensively Promoting the Digital Transformation of Education and Teaching

The Group further advances the implementation of its "Golden Key (金鑰匙)" project for AI-empowered educational reform and development. During the Reporting Period, the Group's Schools not only further upgraded intelligent teaching facilities and equipment, forming digital assets through data accumulation, but also conducted extensive training and practice on AI-empowered teaching and management for all staff, including faculty, counselors and administrative personnel. We developed AI general education courses and AI+ related course offerings, solidly advancing the digital transformation of education and teaching.

## 5. Practicing ESG Development Concepts and Actively Fulfilling Social Mission

The Group places high importance on ESG management practices, establishing a top-down ESG governance structure led by the Board. Through measures such as paperless offices and new energy transition, we consolidate the development of eco-friendly, green and low-carbon campuses. Adhering to the fundamental task of fostering virtue through education, based on providing quality teaching services, we invest in public welfare initiatives aligned with regional development themes and focus on cultivating a sense of social mission among employees and students.

# CHAIRMAN'S STATEMENT

## 6. Future Outlook and Growth Strategies

We will continue to delve into vocational education, nurturing practical and committed talents for more enterprises and local economies to inject new momentum to the high-quality development of the nation and industries, and continue to fulfill our educational mission and social responsibilities. We will continue to collaborate with local governments and high-quality enterprises to deepen industry-education integration, build industrial colleges, enhance brand awareness and reputation, and expand our business and school network; continue to optimise our program and course offerings, in order to enhance the competitiveness of our students; further strengthen and increase the proportion of undergraduate program services and continue to attract, cultivate and retain talented teachers and other professionals, to reward Shareholders' trust with better performance.

Finally, on behalf of the Board, I would like to express my sincere gratitude to the Directors, management team and all employees of the Group for their efforts and contributions during the financial year of 2025. I would also like to express my appreciation to all Shareholders and business partners for their continuous support.

**Huang Yulin**

*Chairman*

Nanchang, the PRC  
28 November 2025

# PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

The brief profiles of our current Directors and senior management are as below:

## DIRECTORS

The Board currently comprises seven Directors, of which four are executive Directors and three are independent non-executive Directors. The following table sets forth information regarding the existing Directors as at the date of this report.

Name	Age	Position	Date of Appointment as Director
<b>Executive Directors</b>			
Mr. Huang Yulin	64	Chairman, executive Director and CEO	25 May 2018
Mr. Wang Li	43	Executive Director and co-president	21 September 2018
Ms. Gan Tian	41	Executive Director and co-president	21 September 2018
Ms. She Hui	38	Executive Director and chief financial officer	1 January 2025
<b>Independent Non-executive Directors</b>			
Mr. Sy Lai Yin, Sunny	45	Independent non-executive Director	7 July 2021
Mr. Wang Donglin	71	Independent non-executive Director	18 November 2019
Mr. Qin Huimin	70	Independent non-executive Director	1 January 2025

Each of Ms. She Hui and Mr. Qin Huimin had obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 24 December 2024, and has confirmed she/he understood her/his obligations as a Director of the Company.

## Executive Directors

**Mr. Huang Yulin (黃玉林)**, aged 64, is our executive Director, the Chairman and CEO. Mr. Huang is responsible for the overall management, strategic planning and decision-making of our Group. Mr. Huang is also the chairman of the board of directors of JXIAS. Mr. Huang is the father-in-law of Mr. Wang Li and the brother of Ms. Huang Wenxia, the vice president of the Company.

Mr. Huang has over 21 years of experience in the education sector. Prior to joining our Group, Mr. Huang worked at the Ganzhou Department of Personnel and Labour Bureau (贛州行署勞動人事局) and acted as the legal representative and the chairman of Jiangxi Science and Engineering Specialist College (江西理工專修學院). Mr. Huang has been acting as the chairman of the board of directors of JXIAS since 2002, where he has been in charge of the overall management of JXIAS. Mr. Huang acted as the CEO from September 2018 to August 2019 and since 30 October 2020.

Mr. Huang received his college diploma in government management and politics from Jiangxi Open University (江西廣播電視大學).



# PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Wang Li (王立)**, aged 43, is our executive Director and a co-president of our Company. Mr. Wang is primarily responsible for providing strategic advice on corporate developments to our Group, making recommendations on major operational matters and making managerial decisions within our Group. Mr. Wang is also a director of JXIAS. Mr. Wang Li is the son-in-law of Mr. Huang Yulin.

Mr. Wang has over 11 years of experience in the education sector. Mr. Wang has been acting as the principal's assistant/vice principal since April 2017 and the head of international academic communication center of JXIAS since December 2017, as well as a director of JXIAS since November 2016. Mr. Wang also served as the head of infrastructure and engineering department of JXIAS from August 2014 to July 2019. Before joining our Group, from July 2004 to December 2008, Mr. Wang acted as the head of corporate planning department of Ganzhou Zhong Cheng Hao Jie Fang Industrial Co., Ltd. (贛州眾成好街坊實業有限公司), where he was responsible for brand promotion planning and corporate culture development. From July 2011 to September 2012, Mr. Wang served as the chief creative officer in Han Yuan Zheng Guo Planning and Design Co., Ltd. (漢元正果策劃設計有限公司), where his responsibilities include team management and creative strategic planning.

Mr. Wang received his Bachelor's Degree in fine arts from Gan Nan Normal University (贛南師範大學) (formerly known as Gan Nan Normal College (贛南師範學院)) in July 2004.

**Ms. Gan Tian (干甜)**, aged 41, is our executive Director and a co-president of our Company. Ms. Gan is primarily responsible for providing strategic advice on corporate developments to our Group, making recommendations on major operational matters and making managerial decisions within our Group. Ms. Gan is also a director, a member of the Party Committee and the executive vice president of JXIAS.

Ms. Gan has over 21 years of experience in the education sector. Ms. Gan served as the deputy head of the marketing and publicity department of JXIAS from September 2004 to December 2004. From January 2005 to January 2011, Ms. Gan served as the head of student affairs office of JXIAS, the head of art troupe of JXIAS and the secretary of Youth League Committee of JXIAS. Ms. Gan has been acting as the principal's assistant since January 2011, the head of the international cooperation department since April 2012, a director of JXIAS since December 2015 and various other positions.

Ms. Gan received her Master's Degree in business management from Jiangxi Normal University (江西師範大學) (formerly known as Jiangxi Normal College (江西師範學院)) in June 2018, and her college diploma in business management from JXIAS in July 2008.

**Ms. She Hui (折慧)**, aged 38, is our executive Director. Ms. She has been appointed as the chief financial officer of the Company since 29 February 2024. Ms. She is a member of The Chinese Institute of Certified Public Accountants. Ms. She has a wealth of experience and knowledge in financial markets, corporate and management accounting, mergers and acquisitions, internal control, corporate governance, regulatory compliance and auditing. Prior to joining the Company, from October 2010 to February 2024, Ms. She successively served as an auditor, a manager and a senior manager at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)), providing professional auditing, accounting advisory and business consulting services to multiple listed companies, multinational corporations, as well as asset-backed securitization business including public offering of Infrastructure Real Estate Investment Trust (基礎設施公募REITs). From October 2009 to September 2010, Ms. She served as an auditor at KPMG Advisory (China) Limited (畢馬威企業諮詢(中國)有限公司).

Ms. She obtained her bachelor's degree in management, majoring in accounting from Dongbei University of Finance and Economics (東北財經大學) in 2009. She also studied in the Business School of University of Wisconsin-Madison as a visiting student.

# PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

## Independent Non-executive Directors

**Mr. Sy Lai Yin, Sunny (施禮賢)**, aged 45, is our independent non-executive Director. Mr. Sy has extensive experience in the financial sector and had experience in overseeing business development, finance services and merger and acquisition projects. He has over six years of experience in accounting and auditing with an international accountancy and professional services firm Ernst & Young. Mr. Sy also serves as school manager for various schools in Hong Kong. Mr. Sy is also currently an independent non-executive director of New Ray Medicine International Holding Limited, a company listed on the Stock Exchange (stock code: 6108).

Mr. Sy graduated from Washington University with a Bachelor's Degree of Science in Business Administration. He was awarded a degree of Master of Science in Business Administration by Washington University in December 2001.

**Mr. Wang Donglin (王東林)**, aged 71, is our independent non-executive Director. Mr. Wang has extensive experience in the education sector. From January 1982 to September 2000, Mr. Wang held various positions, including research assistant, lecturer, associate professor and professor, in Jiangxi Normal University (江西師範大學) (formerly known as Jiangxi Normal College (江西師範學院)). From September 2000 to October 2008, Mr. Wang served as the head of the culture research center (文化研究所) of Jiangxi Normal University. Since October 2008, Mr. Wang has served in positions, including a professor, the head of culture research center, and the head of Zheng Da research center (正大研究所) of Jiangxi Normal University. Mr. Wang has been acting as the advisor to Jiangxi People's Government since March 2017.

Mr. Wang received his Bachelor's Degree in History from Jiangxi Normal University (江西師範大學) (formerly known as Jiangxi Normal College (江西師範學院)) in August 1982.

**Mr. Qin Huimin (秦惠民)**, aged 70, is our independent non-executive Director, has extensive experience in the legal education sector. Mr. Qin currently serves as the senior professor of Liberal Arts, Honorary Dean of the of the Graduate School of Education (教育學院) of Beijing Foreign Studies University (北京外國語大學), and recipient of the Special Government Allowance from the State Council. Mr. Qin is also acting as a member of the Legal Advisory Expert Committee of the Ministry of Education (教育部法律諮詢專家委員會委員), a member of the Study Ethos Construction Committee of the Ministry of Education (教育部學風建設委員會), the chairman of the National University Information Research Association (全國高校信息資料研究會), the vice chairman of the Legal and Policies Branch of the Chinese Society of Education (中國教育學會教育政策與法律研究分會) and the vice chairman of the Law and Policy Expert Committee of China Private Education Association (中國民辦教育法律政策專家委員會).

Mr. Qin obtained his bachelor's degree and doctorate degree in law from Renmin University of China (中國人民大學).

# PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

## SENIOR MANAGEMENT

Our Group also has the following senior management to carry out our daily operation. Our senior management is responsible for the day-to-day management of our business. For biographical details of our CEO, Mr. Huang Yulin as well as our co-presidents namely, Mr. Wang Li and Ms. Gan Tian and our CFO namely, Ms. She Hui, please refer to the paragraphs headed "Executive Directors" in this section.

**Ms. Fang Xiaozhen (房小珍)**, aged 47, is our chief operating officer. Ms. Fang is primarily responsible for our Group's day-to-day operational management, formulating development strategies for our Group. Ms. Fang has been acting as the principal's assistant/vice principal of JXIAS since March 2014. Prior to that, from April 2002 to February 2014, Ms. Fang held various positions in JXIAS, including the deputy officer of the chairman's office, the supervisor of career services center, the director of new campus construction office and the director of assets management department.

Ms. Fang received her college diploma through higher education diploma exam (高等教育學歷文憑考試) in English from JXIAS in September 2002. She further obtained her Master's Degree in tourism management from Jiangxi Science and Technology Normal University (江西科技師範大學) in December 2015.

**Ms. Huang Wenxia (黃文霞)**, aged 54, is our vice president. Ms. Huang has been acting as the principal of the international academic communication center (國際教學書交流中心) of JXIAS since September 2014. From November 2014 to March 2019, Ms. Huang acted as the head of the Industrial Development Management Office (產業發展管理處) of JXIAS and the vice president of Nanchang Di Guan. From November 2016 to June 2018, Ms. Huang acted as the director of JXIAS. Ms. Huang has been acting as the vice principal of Guizhou College since March 2019, the vice president of the Group since July 2021 and the secretary of the party committee of Chen Lin High School since March 2023. Ms. Huang is the sister of Mr. Huang Yulin.

Prior to joining our Group, Ms. Huang acted as the financial supervisor at Jiangxi Ganzhou Gas Compressor Factory (江西贛州氣體壓縮機廠) from July 1993 to July 2006.

Ms. Huang graduated from Jiangxi Normal University (江西師範大學), majoring in education (undergraduate diploma through self-study examination) in December 2009.

**Mr. Lu Dong (盧東)**, aged 55, is our general manager of administrative and legal department. Mr. Lu is responsible for the overall management of our Group's administrative affairs.

Mr. Lu joined our Group in September 2003. He held various positions in JXIAS, including the vice president of the career development center (職培中心) from September 2003 to September 2004, the vice president of the library from September 2004 to October 2005, the assistant to the dean of the computer science college from October 2005 to October 2006, the vice president of the science and technology division of the headquarters of new campus (新校區指揮部科技處) from October 2006 to March 2009, the president of information department from March 2009 to April 2009 and the president of infrastructure and equipment department from April 2009 to January 2014. Mr. Lu has been acting as the principal of the chairman's office of JXIAS since January 2014.

Mr. Lu completed his undergraduate course in education science (through self-learning) and graduated from Jiangxi Normal University (江西師範大學) (formerly known as Jiangxi Normal College (江西師範學院)) in December 2009. Mr. Lu further completed his undergraduate course in computer science (through distance learning) and graduated from Nanchang Hang Kong University (南昌航空大學) in January 2013.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

We are one of the leading providers of private comprehensive education services in the PRC, with years of experience in the private comprehensive education service industry, being an education group specializing in full-system applied undergraduate education, vocational education and quality high school education. As at 31 August 2025, we operate five Schools, namely, (i) JXIAS, a private university located in Jiangxi Province, the PRC; (ii) Jiangxi Jishi College, a private full-time vocational college located in Jiangxi Province, the PRC, comprising two campuses located in Nanchang and Longnan, Jiangxi Province, the PRC; (iii) Guizhou College, a private higher vocational college located in Guizhou Province, the PRC; (iv) Guizhou Jishi College, a private full-time vocational college located in Guizhou Province, the PRC; and (v) Chen Lin High School, a private high school located in Henan Province, the PRC.

We mainly offer undergraduate programs, junior college programs, vocational programs and high school programs, as well as diverse education related services. As at 31 August 2025, our five Schools had over 30,000 enrolled students.

Our mission is to cultivate innovative talents with practical skills and knowledge and to provide talent support for the development of urbanisation in China (為新型城鎮化建設與管理培養高層次、高技能、創新型和應用型人才). We insist adopting the development strategy of “full-system vocational education and quality high school education (全體系職業教育和優質高中教育)”, which emphasizes both academic education and training education, talent cultivation and service export (學歷教育與培訓教育同舉，人才培養與服務輸出並重). Our fundamental educational philosophy is to foster talents with “upright personality, comprehensive theoretical knowledge and practical skills (培養具有健全人格、複合知識與實踐能力的人才)” by implementing our “Three-element Talent Cultivation (三元育人)” mode. We aim to provide quality education services in a manner consistent with our mission and educational philosophy.

With a view of nurturing talents with practical skills, we are devoted to offering quality private education to our students and providing diversified programs and curriculums encompassing a broad range of market-oriented fields of study and career trainings, including intelligent science and technology, mechanical manufacturing and automation, robotics engineering, e-commerce, logistics management, gemology and material technology, internet-of-things, civil engineering, software engineering, and nursing and pharmacy. Based on our timely and extensive market research, the strong sensitivity in grasping the artificial intelligence (“AI”) era and the profound insight into the development of education, as well as the positive response to the structural changes and impacts of the utilization of AI development on the cultivation of applied talents, we carefully design and regularly review and adjust our program and course offerings at our Schools. We believe that our future-oriented and practical programs and curriculums will equip our students with competitiveness and practical skills that meet the rapidly evolving market demand and respond to the opportunities and challenges in the AI era. We also cooperate with a number of sizable enterprises to continuously promote the construction and upgrading of industrial colleges and provide our students with internship and potential employment opportunities and have achieved favorable graduate employment outcome for our students.

## Our Schools

As at 31 August 2025, our Group mainly operates five Schools in the PRC, including (i) JXIAS; (ii) Jiangxi Jishi College (comprising two campuses in Nanchang and Longnan, Jiangxi Province, the PRC); (iii) Guizhou College; (iv) Guizhou Jishi College; and (v) Chen Lin High School.

### Jiangxi Institute of Applied Science and Technology (JXIAS)

JXIAS is a private university located in Nanchang, Jiangxi Province, the PRC. It was established in 2002 by our Chairman, Mr. Huang Yulin (黃玉林), and it offers undergraduate programs and junior college programs, as well as diverse education related services.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Jiangxi College of Arts and Sciences Technicians (Jiangxi Jishi College)**

Jiangxi Jishi College is a private full-time vocational college (comprising two campuses in Nanchang and Longnan, Jiangxi Province, the PRC). It was established in November 2019 and offers vocational programs. It was acquired by our Group from an Independent Third Party in December 2020.

## **Guizhou Vocational College of Industry and Trade (Guizhou College)**

Guizhou College is a private higher vocational college located in Bijie, Guizhou Province, the PRC. It was established in May 2015 and offers vocational programs and junior college programs. It was acquired by our Group from an Independent Third Party in April 2021.

## **Guizhou Chenlin Industry and Trade Technician College (Guizhou Jishi College)**

Guizhou Jishi College is a private full-time vocational college located in Bijie, Guizhou Province, the PRC. It was established in October 2024 and offers vocational programs. Guizhou Jishi College is a technical college integrating full-time technical skills education, social training and vocational skills recognition, and is the only technical college in Bijie City. It offers programs in industrial robotics applications and maintenance, consumer engineering technology, automobile maintenance, computer network applications, elderly services and management, fashion design and production, etc.

## **Zhengzhou Airport Economy Zone Chen Lin High School (Chen Lin High School)**

Chen Lin High School is a private high school located in Zhengzhou, Henan Province, the PRC. It was established in 2017 and offers high school programs. It was acquired by our Group from an Independent Third Party in July 2021.

## **Our Education Services**

We derived approximately 98.5% of revenue from our education services for the year ended 31 August 2025, which included tuition fees and boarding fees from our undergraduate programs, junior college programs, vocational programs and high school programs. For the year ended 31 August 2025, our revenue from tuition fees and boarding fees amounted to approximately RMB531.2 million and RMB60.5 million respectively, among which, the revenue from tuition fees represented a year-on-year increase of approximately 0.2%, and the revenue from boarding fees represented a year-on-year increase of approximately 0.3%.

## **Our Education Related Services**

In addition to tuition fees and boarding fees, for the year ended 31 August 2025, we also generated income by providing a variety of education related services. Our education related services mainly include a variety of tutoring and program management services, including qualification exam review services, personal development training services and education program management services offered to enterprises and education institutions. For the year ended 31 August 2025, our revenue generated from education related services amounted to approximately RMB9.0 million, representing a year-on-year increase of approximately 2.3%.

## **REGULATORY UPDATE**

We have established a special committee (the “**Special Committee**”) to (i) pay close attention to the latest development of the relevant laws, regulations and policies on private education sector in the PRC (the “**Relevant Rules**”) and hold periodic meetings to discuss such development; (ii) where necessary, engage professional advisors, including PRC legal advisors to assist the Special Committee to understand the latest development of the Relevant Rules; and (iii) report and make recommendations to the Board for final decision based on the research reports and/or independent and professional advice as well as the Special Committee’s major findings and preliminary conclusions. So far as the Directors are aware, as at 31 August 2025, there is no material regulatory update in relation to the foreign investment in the education sector in the PRC.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PRINCIPAL RISKS RELATING TO OUR BUSINESS

Save as other risks disclosed in this report, the following list is a summary of certain principal risks and uncertainties facing by the Group:

- (i) our business is largely dependent on the market recognition of our brand and the reputation of our Schools and our Group; and
- (ii) the level of tuition and boarding fees we are able to charge and our ability to maintain and raise the level of tuition and boarding fees are crucial to our business.

## OUTLOOK AND GROWTH STRATEGIES

The private education sector in the PRC has been growing continuously in recent years, primarily driven by the increasing demand for private education, growing market demand for talents with practical skills, increasing diversification and strengthened education quality, as well as governmental support. In 2025, the number of registrations for the national college entrance examination reached 13.35 million and in 2026, the number of registrations for the national college entrance examination is expected to increase as compared to the previous year. We believe that in 2026, the private education sector in the PRC will remain on a secular growth trend and there is significant potential with opportunities.

To achieve our goals, in 2026, we intend to pursue the following business strategies:

- **Continue to connect with local governments and high-quality enterprises to build industrial colleges, enhance brand awareness and reputation, and expand business and school network**

In order to benefit from and capture the growth opportunities in the private education industry in the PRC, we will continue to provide quality education and attract more talents to our Schools. As an important measure to enhance our education services, we have largely completed the campus construction, and will continue to renovate and upgrade the facilities and equipment of our existing campuses. Meanwhile, by virtue of our Schools' key programs "electronic information engineering", "mechanical design, manufacturing and automation" and provincial first-class program "e-commerce", we will continue to closely align with the needs of the electronic information industry of the Municipal People's Government of Longnan, Jiangxi Province (江西省龍南市人民政府), Longnan Economic and Technological Development Zone (National) Management Committee (龍南經濟技術開發區(國家級)管委會) and Longnan Electronic Information Industry Technology City (龍南電子資訊產業科技城), co-operate with local outstanding enterprises and unify local leading enterprises in the electronic information and electromechanical component equipment manufacturing industry to establish the "Electronic Information Industry College of JXIAS (Longnan)" (江西應用科技學院電子資訊產業學院(龍南)). We will upgrade our selected "second batch of conducting projects for the construction and cultivation of modern industrial colleges for general undergraduate programs in Jiangxi Province" (第二批中國江西省普通本科高校現代產業學院立項建設培育項目) to a provincial key project. To actively serve national strategies and promote high-quality regional economic development, we have partnered with high-quality enterprises in the industry to build low-altitude economy industrial colleges. We will actively co-operate with local governments to connect with high-quality enterprises to expand the scale of joint construction of industrial colleges.

# MANAGEMENT DISCUSSION AND ANALYSIS

- **Continue to optimise our program and course offerings in order to enhance the competitiveness of our students**

As an education service provider, the quality and scope of the programs and course offerings are crucial for our Schools in providing high-quality education services. We intend to improve our education quality, expand the scale of our business operations and diversify our revenue source primarily through optimising program offerings and curriculum settings (such as the increasing of AI general studies courses, and the introducing three newly approved undergraduate programs, namely, integrated circuit design and integrated systems (集成電路設計與集成系統), AI (人工智能), and geotourism and planning engineering (旅遊地學與規劃)), strengthening school enterprise collaboration (such as co-operating with AI industry enterprises to build virtual simulation teaching experiments and training bases, building an innovative collaborative education mechanism that organically integrates the education chain with the AI industry chain, and creating a high-level specialised AI talent cultivation and training bases) and international collaboration (such as the collaboration with certain universities in Malaysia, etc.), and developing online education courses.

- **Further strengthen and increase the proportion of undergraduate program services**

In order to meet the market demand for higher undergraduate education services as well as to continue improving our profitability, we plan to further strengthen and increase the proportion of undergraduate program services. We believe that with the completion of construction, renovation and upgrading of the campus infrastructure at the Schools of the Group, the further enhancement of the quality and internal development of JXIAS, and the development and cultivation of Guizhou College for upgrading to an undergraduate institution in accordance with our plan, we will continue to strengthen and increase the proportion of undergraduate program services, which helps boost our brand awareness, broaden our revenue base and improve profitability.

- **Continue to attract, cultivate and retain talented teachers and other professionals**

We believe that hiring, retaining and cultivating outstanding teachers is crucial in providing quality education to students. We intend to continue attracting, cultivating and retaining teachers with professional expertise, teaching experience and/or working experience in relevant fields. To achieve this goal, we will continue applying high standards in our recruitment of teachers, and target applicants who have postgraduate degree and/or doctoral degree or have extensive work experience in relevant field. We plan to continue to improve our faculty team with more “double qualification teachers”, experienced technical experts, well-recognized business administrators, and other personnel with expertise who are qualified to deliver skill-focused curriculums at our Schools on either full-time or part-time basis. In addition, we also intend to hire professors, academicians, etc. from other education institutions with experience to serve in academic leadership roles at our Schools.

## FINAL DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the year ended 31 August 2025.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Non-IFRS Measures

To supplement the consolidated financial statements, which are presented in accordance with International Financial Reporting Standards ("IFRS"), the Company also uses EBITDA and adjusted EBITDA as additional financial measures. The Company presents these financial measures because they are used by the management to evaluate the Group's financial performance by eliminating the impact of items that the management does not consider indicative of the performance of the Group's business. The Company believes that the non-IFRS measures presented provide additional information to the Company's management and investors to better understand and evaluate the Group's consolidated operational performance. These measures assist both management and investors in comparing financial results across periods and with peer companies. However, the presentation of these non-IFRS measures have limitations as analytical tools because they exclude certain items that impact the Group's financial results. Therefore, when assessing the Group's financial and operational performance, non-IFRS measures should not be considered in isolation or as substitutes for profit for the period or any other performance measure calculated in accordance with IFRS. Furthermore, because other companies may calculate non-IFRS measures differently, they may not be directly comparable to similarly titled measures used by other companies.

### Calculation of Adjusted EBITDA

	Year ended 31 August	
	2025 (RMB'000)	2024 (RMB'000)
<b>(Loss)/profit before income tax</b>	<b>(412,822)</b>	16,404
Add: Finance costs	<b>116,034</b>	112,741
Depreciation of property, plant and equipment	<b>123,190</b>	98,437
Depreciation of right-of-use assets	<b>18,812</b>	20,525
Amortisation of intangible assets	<b>2,008</b>	1,402
<b>EBITDA</b>	<b>(152,778)</b>	249,509
Adjustments for:		
Lawsuit claims of an acquired subsidiary initiated prior to acquisition by the Group	<b>–</b>	(22,313)
Lawsuit claims	<b>1,187</b>	–
Gain on modification on financial liabilities	<b>–</b>	(35,495)
Loss on restoration of deferred revenue <sup>(i)</sup>	<b>42,550</b>	–
Net impairment losses on financial asset	<b>3,211</b>	680
Non-cash impairment loss recognised in respect of goodwill and non-financial assets <sup>(i)</sup>	<b>288,800</b>	–
Fair value change on financial assets at FVPL	<b>1,528</b>	14
<b>Adjusted EBITDA</b>	<b>184,498</b>	192,395

(i) These items did not generate any cash outflows. Our management believes that the non-cash impairment items and losses do not impact our operations.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Revenue

For the year ended 31 August 2025, the revenue of the Group amounted to approximately RMB600.7 million, representing an increase of RMB1.3 million as compared with the year ended 31 August 2024, mainly driven by increase in the revenue of tuition fees and boarding fees.

## Cost of Revenue

Our cost of revenue primarily consisted of employee costs, depreciation and amortization expenses, education and teaching operating expenses including students' activities and training expenses, electricity and water expenses, repair and maintenance and others. For the year ended 31 August 2025, the cost of revenue of the Group amounted to approximately RMB434.2 million, representing an increase of approximately 5.6% as compared with the year ended 31 August 2024. The increase in cost of revenue was mainly attributable to the fact that (i) in order to further attract, cultivate and retain talented teachers and other professionals, the Group's employee costs for the year ended 31 August 2025 increased as compared to the year ended 31 August 2024; and (ii) as the infrastructure construction and equipment upgrades at the Group's relevant educational institutions were progressively completed, the depreciation and amortization expenses for the year ended 31 August 2025 increased as compared to the year ended 31 August 2024.

## Gross Profit

Our gross profit was approximately RMB166.5 million for the year ended 31 August 2025, representing a decrease of approximately RMB21.8 million as compared with the year ended 31 August 2024, which was mainly attributable to the fact that the increase in cost of revenue exceeded the increase in revenue for the year ended 31 August 2025, which resulted from the Group's increased investments in teaching resources and further upgrading of education facilities and services, with the aim to better serve the existing students, and to attract and serve the new students.

## Other Income

Other income primarily included government grants and subsidies, research service projects income, sub-contracting income and other service fee related to our Schools' campus during the year ended 31 August 2025. For the year ended 31 August 2025, the Group's other income amounted to approximately RMB32.0 million, representing an increase of approximately 37.6% as compared with the year ended 31 August 2024. The increase in other income was mainly attributable to the increase of the research service projects.

## Expenses

### Other Expenses

Other expenses primarily consisted of research service projects costs and employee benefit expenses. For the year ended 31 August 2025, our other expenses amounted to approximately RMB10.4 million, representing an increase of approximately RMB7.6 million as compared with the year ended 31 August 2024. The increase in other expenses was mainly attributable to the increase of the research service projects.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other (losses)/gains, net

Our other (losses)/gains, net primarily consisted of net fair value losses on financial assets at fair value through profit or loss, donations, net losses on disposal of property, plant and equipment, written-back of other payable and loss on restoration of deferred revenue. For the year ended 31 August 2025, our other (losses)/gains, net amounted to approximately RMB41.7 million, mainly including RMB42.6 million for the loss on restoration of deferred revenue, as compared with our other gains, net amounted to approximately RMB64.1 million for the year ended 31 August 2024, mainly including RMB22.3 million in gains from lawsuit claims of an acquired subsidiary initiated prior to acquisition by the Group and RMB35.5 million in gain on modification on financial liabilities recognized during the year.

## Internal control and investment policy in relation to financial assets

The Group's investment in financial assets was mainly the result of its cash management objective to improve returns on its available capital including cash and undistributed profits. Subject to approval of the Board, the Group may make short-term investments on equities, bonds, funds and derivatives products which can be readily realized within one year. The Group has established internal procedures in relation to investments in financial assets, which include, among others, (i) investment in financial assets must be fully discussed by the Directors and approved by at least two-third of the votes in a Board meeting; (ii) the Group may only use idle funds or spare cash to purchase financial products, and such investment shall not affect its operation activities and investment in relation to our main scope of business; (iii) financial instruments provided by sizable and reputable licenced commercial banks are preferred; (iv) futures trading is prohibited unless with prior written approval by the Board; and (v) the Group must conduct regular review of investments of financial products and the Group's finance department is in charge of the review and risk assessment of financial products with reference to the Group's financial condition, cash position, operating cash requirements, as well as changes in interest rates. In the event of significant fluctuations in the financial assets, the Group's finance department shall conduct analysis in a timely manner and provide the relevant information to the Board.

## Provision for Impairment Loss Recognised on Financial Assets, Net

Our provision for impairment loss recognised on financial assets, net primarily represented impairment of trade receivables and other receivables. For the year ended 31 August 2025, our net impairment losses on financial assets amounted to approximately RMB3.2 million. For the year ended 31 August 2024, our net impairment losses on financial assets amounted to approximately RMB0.7 million.

## Impairment losses of goodwill and on non-financial assets

The Group has performed an impairment review of the carrying amount of goodwill as at 31 August 2025 and 31 August 2024. An impairment loss is recognised for the amount by which the carrying amount of cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount of the CGUs determined based on the higher of value in use and the fair value less costs of disposal were used to compared with carrying amount of the CGUs.

In addition to goodwill, property, plant and equipment, intangible assets and right-of-use assets belonging to the CGUs that generate cash flows together with the goodwill are included in the respective CGUs for the purpose of impairment assessment.

# MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 August 2025, the recoverable amount of Jiangxi Jishi College and Guizhou College are determined based on fair value less cost of disposal calculations. The valuations were determined using the cost approach, which largely used observable and unobservable inputs, including unit price per square meter of similar comparable land, as well as price adjustment index for buildings and building improvements and other property, plant and equipment. The fair values of these two CGUs subject to fair value less cost of disposal calculation is within level 3 of the fair value hierarchy.

The key assumptions used for fair value less costs of disposal calculations for the year ended 31 August 2025 are as follows:

	<b>As at 31 August 2025</b>	
	<b>Jiangxi Jishi College</b>	<b>Guizhou College</b>
Land — unit price per square meter (RMB)	<b>483–486</b>	<b>610–635</b>
Building and building improvements — price adjustment index (%)	<b>94.98–97.11</b>	<b>92.13–111.67</b>
Other property, plant and equipment — price adjustment index (%)	<b>92.13–100.57</b>	<b>91.36–108.03</b>

As at 31 August 2025, the recoverable amount of RMB816,458,000 of Jiang Xi Jishi College based on fair value less cost of disposal calculations is lower than the carrying value of RMB1,003,473,000 by RMB187,015,000. Among the impairment loss, the amount of RMB152,485,000 is allocated to goodwill and the amount of RMB34,530,000 is allocated to each class of other non-financial assets of this CGU.

As at 31 August 2025, the recoverable amount of RMB974,795,000 of Guizhou College based on fair value less cost of disposal calculations is lower than the carrying value of RMB1,076,580,000 by RMB101,785,000. Among the impairment loss, the amount of RMB40,802,000 is allocated to goodwill and the amount of RMB60,983,000 is allocated to each class of other non-financial assets of this CGU.

The recoverable amount of Chen Lin High School is determined based on value-in-use calculations. The calculation of recoverable amount of the CGU uses cash flow projections based on the financial estimates made by the Group, with reference to the prevailing market conditions, covering a period of five years and based on the following key assumptions.

	<b>As at 31 August 2025 Chen Lin High School</b>
Revenue annual growth rate — average of the forecast period	<b>18.6%</b>
Average gross profit margins	<b>24.3%</b>
Annual average capex expenditure (RMB'000)	<b>1,353</b>
Long term annual growth rate	<b>2.0%</b>
Pre-tax discount rate	<b>11.0%</b>

As at 31 August 2025, the recoverable amount of RMB116,434,000 of Chen Lin High School based on VIU calculation exceeded their carrying value of RMB110,181,000 by RMB6,253,000.



# MANAGEMENT DISCUSSION AND ANALYSIS

The Group has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment test and the changes taken in isolation in the VIU calculations that would remove the remaining headroom as at 31 August 2025:

	As at 31 August 2025 Chen Lin High School
Revenue annual growth rate	-1.6%
Gross profit margin (% of revenue)	-3.1%
Pre-tax discount rate	+1.9%

The Group has performed an impairment review of the carrying amount of goodwill as at 31 August 2024 and have concluded that no provision for impairment is required.

## Selling Expenses

Our selling expenses primarily consisted of promotion expenses, travelling and office expenses, and others which mainly included costs incurred for promotional materials in connection with student recruitments. Our selling expenses amounted to approximately RMB4.3 million for the year ended 31 August 2025, representing a decrease of approximately 18.6% as compared with the year ended 31 August 2024. The decrease in selling expenses was mainly due to the Group's control over the budget of the relevant selling expenses.

## Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses for our administrative staff, (ii) depreciation and amortisation expenses for administrative facilities, (iii) professional service fees, (iv) repair and maintenance expenses for administrative facilities, and (v) general office expenses mainly including office expenses and transportation expenses, and other expenses of similar nature. For the year ended 31 August 2025, our administrative expenses amounted to approximately RMB148.0 million, representing an increase of approximately 7.1% as compared with the year ended 31 August 2024, mainly due to the increase in depreciation and amortisation expenses as the infrastructure construction and equipment upgrades at the Group's relevant educational institutions were progressively completed.

## Finance Costs, Net

Our finance costs, net reflected the sum of uncapitalized interest expenses accrued on bank borrowings and other borrowings from financial institutions after netting off the interest income we received from cash and cash equivalents. Our finance costs, net amounted to approximately RMB114.9 million for the year ended 31 August 2025, representing an increase of approximately 2.3% as compared with the year ended 31 August 2024. With the optimization of the debt structure and the reduction in finance costs during the current year, total interest expenses decreased year-on-year. The year-on-year increase in finance costs, net included in the statement of profit or loss was attributable to the corresponding decrease in capitalized interest expenses as projects in progress were completed and put into operation during the current year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **(Loss)/profit for the Year**

Based on the above, we recorded loss amounted to approximately RMB412.0 million for the year ended 31 August 2025, as compared with profit of approximately RMB15.4 million for the year ended 31 August 2024. The loss for the year mainly attributable to: (i) a one-off, non-cash impairment losses on goodwill and certain non-current assets of approximately RMB288.8 million, resulting from the downward adjustments in the operating estimates based on the acquisition of Jiangxi Jishi College and Guizhou College; (ii) a one-off, non-cash loss on restoration of deferred revenue of approximately RMB42.6 million, arising from the reversal of the obligation to return government grants originally received for the construction of one of the Group's acquired CGUs, following withdrew of its application for conversion from not-for-profit college to for-profit college in the year, which was subsequently recognised as deferred revenue; and (iii) a year-on-year increase in non-cash depreciation and amortisation costs of fixed assets of approximately RMB25.0 million, as the infrastructure construction and equipment upgrades at the Group's relevant educational institutions were progressively completed. Excluding the impact of the above one-off non-cash expenses, a profit amounted to approximately RMB184.5 million (refer to the calculation of the adjusted EBITDA) was generated in the year.

## **Adjusted EBITDA**

For the year ended 31 August 2025, the Group's adjusted EBITDA amounted to approximately RMB184.5 million, representing a slight change of 4.2% as compared with approximately RMB192.4 million for the year ended 31 August 2024.

## **Financial Positions**

As at 31 August 2025, our total equity was approximately RMB439.5 million, as compared with approximately RMB860.7 million as at 31 August 2024. The decrease in total equity was mainly attributable to the impairment losses of goodwill and non-financial assets which are non-cash and one-off losses.

## **Liquidity and Capital Resources**

Our primary uses of cash are to fund our working capital requirement, loan repayment and related interest expenses. We have funded our operations principally with the cash generated from our operations and borrowings.

As at 31 August 2025, we had cash and cash equivalents of approximately RMB150.3 million, as compared with approximately RMB288.0 million as at 31 August 2024.

As at 31 August 2025, our current assets were approximately RMB251.1 million, as compared with approximately RMB390.4 million as at 31 August 2024. The amount of current assets as at 31 August 2025 was less than the amount of current assets as at 31 August 2024, mainly due to seasonal fluctuations of cash and cash equivalents. This is because the beginning of academic year of one of our Schools commenced in September 2025 and the majority of tuition fees and boarding fees of such school were received in September while the comparing year were in August.

As at 31 August 2025, the Group had bank and other borrowings of RMB2,447.0 million (31 August 2024: RMB2,418.1 million). The debt structure continues to be optimized and as at 31 August 2025, the proportion of bank loans balance with lower interest rate in total borrowings balance increased by approximately 5% compared with that as at 31 August 2024. The Directors have reviewed the Group's cash flow projections prepared by the management, covering a period of not less than twelve months from 31 August 2025, and are of the view that, taking into account the plans and measures as set forth in under the heading of "BASIS OF PREPARATION" in the notes to the consolidated financial statements, the Group will have sufficient funds to finance its capital expenditures and operations and to meet its financial obligations as and when they fall due within twelve months from 31 August 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Internal control and policy in relation to liquidity and capital resources

The Group's finance department is responsible for financial control, accounting, reporting, group credit and internal control function of the Group. In addition, the Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system. The Group closely monitors the level of its working capital, particularly in view of its strategies to continue upgrading the facilities and infrastructure of our existing campuses and the scope of its education related services. The Group's working capital requirements depend on a number of factors, including but not limited to, operating income, the scale of Schools, maintaining and upgrading the premises of the Schools, purchasing additional educational facilities and equipment for Schools, expanding scope of education related services, and hiring additional teachers and staff. In addition, the Group closely monitor its available cash reserve and maturity profile of existing debt obligations, and if required, it may borrow additional loans or utilize its existing banking facilities to satisfy unexpected capital needs.

## Gearing Ratio

As at 31 August 2025, our gearing ratio, which is calculated as net debt (defined as total debt less cash and cash equivalent and liquid investment) divided by total equity, was approximately 550.0%, as compared with approximately 261.2% as at 31 August 2024. The increase in gearing ratio was mainly attributable to the decrease in total equity.

## Capital Expenditure

Our capital expenditures for the year ended 31 August 2025 amounted to approximately RMB235.3 million, which was primarily used for purchase and construction of property, plant and equipment.

## Property, Plant and Equipment

As at 31 August 2025, the property, plant and equipment of the Group was RMB3,247.1 million (31 August 2024: RMB3,230.6 million).

## CHARGE ON ASSETS

As at 31 August 2025, the Group's long-term and short-term bank borrowings of RMB1,417,953,000 (31 August 2024: RMB1,254,937,000), long-term borrowings from a financial institution of nil (31 August 2024: RMB47,007,000) were secured by the pledge of the rights over the collection of tuition fees and boarding fees of the Group's Schools.

Save as disclosed above, there was no other material charge on the Group's assets as at 31 August 2025.

## CONTINGENT LIABILITIES, GUARANTEES AND LITIGATIONS

Save as disclosed in this report, we did not have any unrecorded significant contingent liabilities or guarantees or any material litigation against us as at 31 August 2025 and up to the date of this report.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the date of this report, the Group has not entered into any off-balance sheet transactions.

## SIGNIFICANT INVESTMENTS HELD

Save as disclosed in this report, the Group did not have other significant investments held as at 31 August 2025 and up to the date of this report.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Save as disclosed in this report, the Group did not have any other material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 August 2025 and up to the date of this report.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments or capital assets as at 31 August 2025 and up to the date of this report.

## FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is RMB. The Group currently does not engage in any hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2025, we had 2,486 employees (as at 31 August 2024, we had 2,574 employees), mostly based in Jiangxi Province, Guizhou Province, Henan Province and Hong Kong of the PRC.

The remuneration of our employees is based on their performance, experiences, and market comparable analysis. In addition to salary, we also provide various incentives, including share-based compensation such as RSUs granted pursuant to the Company's RSU Scheme as well as performance-based bonuses to better motivate our employees. As required by the PRC law, we contribute to housing funds and maintain mandatory social insurance plans for our employees based in the PRC, covering pension, medical, unemployment, work injury and maternity leave. The Group participates in a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the rules and regulations of Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. For the year ended 31 August 2025, our employee remuneration totaled to approximately RMB271.6 million, as compared with approximately RMB252.3 million the year ended 31 August 2024.

We grant RSUs to our employees to incentivise them to contribute to our growth. As at 31 August 2025, RSUs in respect of 26,094,700 underlying Shares, representing approximately 2.61% of the issued share capital of our Company (including treasury shares) as at 31 August 2025, have been granted to 39 participants pursuant to the RSU Scheme and have been vested.

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at a rate of 16% (for the year ended 31 August 2024: 16%) of the basic salary. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above-mentioned retirement schemes at their normal retirement age.



# MANAGEMENT DISCUSSION AND ANALYSIS

The Group also participates in a pension scheme under the rules and regulations of the MPF Scheme for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions of 5% of the employees' relevant income to the MPF account. The Group's contributions to the MPF Scheme shall be fully vested to the employee immediately.

The Group's contributions to the defined contribution schemes shall be fully vested to the employee immediately. Accordingly, (i) for the year ended 31 August 2025 and for the year ended 31 August 2024, there were no forfeiture of contributions under the defined contribution schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution schemes as at 31 August 2025. No forfeited contributions may be used if there is forfeited contributions.

The remuneration of Directors and members of senior management of the Company is determined on the basis of each individual's responsibilities, qualification, position, experience, performance, seniority and time devoted to our business. They receive compensation in the form of salaries, performance-related bonus, RSUs, and other allowances and benefits-in-kind, including the Company's contribution to their pension schemes on their behalf.

## HUMAN RESOURCES

We hire talents based on business development and operational needs, as well as candidates' integrity and professionalism. Our talent selection policy does not only focus on professional knowledge, experience, relevant qualification, but also on candidates' morality, professional ethics and discipline. We actively attract talents through participating in talent recruitment fairs and industry conference, and encouraging our staff in their respected departments to take advantage of social media to refer and recommend talented candidates to join us.

## ESG POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. An environmental policy has been adopted by the Group for implementation of environmentally friendly measures and practices in the operation of the Group's businesses. The Group adheres to the principle of recycling and reducing and implements green office practices, e.g. using recycled paper, setting up recycling bins, and double-sided printing and copying.

During the Reporting Period, the Group has complied with the "comply or explain" provisions set out in the Environmental, Social and Governance ("ESG") Reporting Guide contained in Appendix C2 to the Listing Rules. Information about the Company's ESG policies and performance, compliance with relevant laws and regulations, the Company's key relationship with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends during the year are set out in the ESG report that will be published separately on the respective websites of the Stock Exchange and the Company.

## SUBSEQUENT EVENTS

There are no material events subsequent to 31 August 2025 which could have a material impact on the Group's operating and financial performance as at the date of this report.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties to fulfilling its responsibilities to its Shareholders and protecting and enhancing Shareholders' value through good corporate governance. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to employees and Directors, with reference to the CG Code and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

The Company has adopted the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. For the year ended 31 August 2025, the Company has complied with all the code provisions as set out in Part 2 of the CG Code except for the following deviation:

According to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Huang Yulin is the Chairman and the CEO. The Board believes that having the same individual in both roles as the Chairman and the CEO ensures that the Group has consistent leadership and could make and implement the overall strategy of the Group more effectively. In addition, under the current composition of the Board with four executive Directors and three independent non-executive Directors, we believe that the interests of Shareholders are adequately and fairly represented. The Board considers that the present corporate governance arrangement does not impair the balance of power and authority within the Group.

## BOARD OF DIRECTORS

The Board is responsible for leadership and the internal control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board has general powers for the management and is conducting the Company's business. The day-to-day operations and management are delegated by the Board to the executive Directors and senior management of the Group, who will implement the strategy and direction as determined by the Board. They report periodically to the Board their work and business decisions.

The Board currently consists of seven Directors, namely Mr. Huang Yulin (Chairman and CEO), Mr. Wang Li, Ms. Gan Tian and Ms. She Hui as executive Directors and Mr. Sy Lai Yin, Sunny, Mr. Wang Donglin and Mr. Qin Huimin as independent non-executive Directors. Mr. Huang Yulin is the father-in-law of Mr. Wang Li and the brother of Ms. Huang Wenxia. Other than that, none of the Directors had a relationship (including financial, family or other substantial or related relationship) with each other. The Board currently has three independent non-executive Directors and considers that they bring an independent view, balance of skills and experience appropriate for the decision making of the Board.

The Directors shall disclose to the Company regarding details of the other offices held by each Director, and that the Board will regularly review whether each Director has devoted sufficient time to the discharge of his or her duties and responsibilities and the contribution that he or she has made to the Company.

# CORPORATE GOVERNANCE REPORT

## CULTURES AND VALUES

The Company firmly believes that our purpose, values and strategies are aligned with our culture. We remain steadfast in upholding our core values and education mode of “Three-element Talent Cultivation” talent development model which promotes holistic personality, comprehensive theoretical knowledge and practical abilities (三元育人之人才培養模式，提倡健全人格，複合專業及實踐能力), and strive to cultivate innovative talents with practical skills and knowledge and to provide talent support for the development of urbanisation in China (為新型城鎮化建設與管理培養高層次、高技能、創新型和應用型人才).

The Board will continuously review and adjust, and strives to promote such culture by focusing on areas such as risk management and internal control, fair disclosure and accountability to all Shareholders and reiterate the value of acting lawfully, ethically and responsibly across the Group.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a term of three years and each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of one year.

The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The term of the service contracts and the letters of appointment may be renewed with recommendation from the Remuneration Committee and approved by the Board in accordance with the Listing Rules and other applicable laws.

According to Article 108(a) of the Articles of Association, not less than one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company and the retiring Directors shall be eligible for re-election. In accordance with Article 108(a) of the Articles of Association, Mr. Huang Yulin, Mr. Sy Lai Yin, Sunny and Mr. Wang Donglin shall retire by rotation at the 2026 AGM and, being eligible, have offered themselves for re-election as Directors thereat.

## REMUNERATION POLICY

The aggregate remuneration (including fees, salaries, contributions to pension schemes, share-based compensation expenses, discretionary bonuses, housing and other allowances and other benefits in kind) payable to the Directors for the Reporting Period was approximately RMB8.1 million.

The remuneration of the Directors is determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. Details of the remuneration of the Directors and senior management for the Reporting Period are set out in notes 36 and 38 to the consolidated financial statements of this report respectively.

The Company has arranged appropriate insurance cover in respect of legal proceedings against the Directors during the Reporting Period. The insurance coverage protect the Directors and the Company from potential financial losses associated with legal actions.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period and up to the date of this report, the Board at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, of whom Mr. Sy Lai Yin, Sunny possesses appropriate professional qualifications of accounting or related financial management expertise.

# CORPORATE GOVERNANCE REPORT

Each independent non-executive Director should inform our Company as soon as possible if there is any change of circumstances which may affect his/her independence as set out in Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent during the Reporting Period and as at the date of this report.

The Company has established mechanisms to ensure that independent views and input are available to the Board, whereby independent non-executive Directors can express their opinions in an open and candid manner, and in a confidential manner, should circumstances require.

Independent non-executive Directors provide constructive suggestions to the Board based on objective judgment through formal and informal channels to improve the efficiency and decision-making of the Board. According to the rules and proceedings of the Board, the views of independent non-executive Directors shall be recorded separately for resolutions which require independent non-executive Directors to express their special views. If the views of independent non-executive Directors are inconsistent, their views shall be recorded respectively. For resolutions which are required to be disclosed, the views of the independent non-executive Directors shall be disclosed separately.

The Board has reviewed the implementation and effectiveness of the mechanism on an annual basis and is of the view that such mechanisms were effective during the Reporting Period.

## COMPANY SECRETARY

The Directors have access to the services of an external service provider acting as the company secretary of the Company (the “**Company Secretary**”) to ensure that the Board procedures are followed. The Company Secretary is Ms. Yu Anne (“**Ms. Yu**”). In compliance with Rule 3.29 of the Listing Rules, Ms. Yu has undertaken no less than 15 hours of relevant professional training during the Reporting Period. Ms. Yu has the necessary qualifications and experience as required under Rule 3.28 of the Listing Rules.

Pursuant to code provision C.6.1 of Part 2 of the CG Code, the Company has nominated Ms. She Hui, an executive Director and the CFO, as its contact person for Ms. Yu.

## CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they keep abreast of the current requirements. Each newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director’s responsibilities and obligations under the Listing Rules and relevant statutory requirements.

All Directors received training materials during the Reporting Period, including updates of the Listing Rules, the responsibilities and continuous obligations of Directors and the Environmental, Social and Governance Reporting Guide. The Company has also arranged suitable trainings for all Directors in order to develop and refresh their knowledge and skills as part of their continuous professional development during the Reporting Period. All Directors have provided to the Company a record of the training they received during the Reporting Period.



# CORPORATE GOVERNANCE REPORT

## Change in Directors' and chief executive's information pursuant to Rule 13.51B(1) of the Listing Rules

Save as disclosed in the section headed "Profiles of Directors and Senior Management" in this report, there was no change to information since the publication of the last interim report, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## BOARD DIVERSITY POLICY

In compliance with the requirement set out in Rule 13.92 of the Listing Rules, the Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach of which the Board could achieve and maintain a high level of diversity. The Company recognizes the benefits of having a diversified Board, as such it will ensure that members of the Board have the appropriate balance of skills, experience and diversity of perspectives that are required to support the Group's business strategies and sustainable development. Our Company seeks to achieve Board diversity by selection of candidates for the Board through the consideration of a number of factors, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender, ethnicity and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee has conducted an annual review of the Board's composition and the implementation of our Board Diversity Policy. Considering multiple measurable objectives including but not limited to skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender, ethnicity and length of service, and it considered that board diversity was achieved.

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and other employees as at 31 August 2025:

	Female	Male
Board	2 (28.6%)	5 (71.4%)
Other employees	1,415 (57.0%)	1,067 (43.0%)

The Board currently has two female Directors and as such has achieved gender diversity in respect of the Board. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in near future.

The Company plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

The Nomination Committee is delegated to be responsible for compliance with relevant code provisions governing board diversity under the CG Code. The Nomination Committee will continue to review the Board Diversity Policy at least annually to ensure its continued effectiveness, and where necessary, will make revisions that may be required and recommend any such revision to the Board for consideration and approval.

# CORPORATE GOVERNANCE REPORT

## WHISTLEBLOWING POLICY

The Board has adopted a whistleblowing policy, the purpose of which is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourage the reporting of misconduct, unlawful and unethical behaviour. Our staff can anonymously report any suspected corrupt incident to the Company.

No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations during the Reporting Period has been discovered or identified.

## ANTI-CORRUPTION POLICY

The Group strictly adheres to the rules and regulations relating to anti-corruption and fraudulent behaviors set out by the relevant authorities. At the same time, the Group maintains a high standard of business integrity throughout its operations. We require our employees to follow our employee manual and code of business conduct and ethics, negligence and corruption. We also carry out regular on the job compliance training for our senior management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility.

The anti-corruption policy is reviewed and updated by the Audit Committee from time to time in order to align with the applicable laws and regulations in relation thereto.

## BOARD MEETINGS

The Company has adopted a practice to convene Board meetings regularly which is at least four meetings per year at approximately quarterly intervals in accordance with C.5.1 of Part 2 of the CG Code. A notice of a regular Board meeting shall be delivered to all the Directors at least 14 days in advance with the matters to be discussed specified in agenda of the meeting. For other Board and committee meetings, reasonable notice is generally served. Agendas or relevant documents of the Board or committee meetings shall be despatched to the Directors or members of the committees at least three days prior to the convening of the meetings to ensure that they have sufficient time to review the relevant documents and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. The minutes of the meetings are kept by the company secretary of the Company.

The minutes of the meetings of the Board and committees thoroughly record all significant matters under consideration and decisions made, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held and the copies are circulated to all Directors for reference and record purpose. All Directors have a right to review the minutes of the Board meetings and the committee meetings.

# CORPORATE GOVERNANCE REPORT

The composition of the Board and their respective attendance at the Board meetings and Board committee meetings convened during the Reporting Period, as well as at the annual general meeting held on 25 February 2025, are as follows:

	No. of meetings attended/held				
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
<b>Executive Directors</b>					
Mr. Huang Yulin (Chairman and CEO)	5/5	N/A	N/A	N/A	1/1
Mr. Wang Li	5/5	N/A	2/2	N/A	1/1
Ms. Gan Tian	5/5	N/A	N/A	3/3	1/1
Ms. She Hui <sup>(1)</sup>	2/5	N/A	N/A	N/A	1/1
Mr. Liu Chunbin <sup>(2)</sup>	3/5	N/A	N/A	N/A	N/A
<b>Independent non-executive Directors</b>					
Mr. Sy Lai Yin Sunny	5/5	2/2	2/2	N/A	1/1
Mr. Wang Donglin	5/5	2/2	N/A	3/3	1/1
Mr. Qin Huimin <sup>(3)</sup>	2/5	1/2	N/A	1/3	1/1
Mr. Chen Wanlong <sup>(4)</sup>	3/5	1/2	2/2	2/3	N/A
Mr. Huang Juyun <sup>(5)</sup>	3/5	1/2	2/2	2/3	N/A

Notes:

<sup>(1)</sup> Ms. She Hui was appointed as an executive Director with effect from 1 January 2025.

<sup>(2)</sup> Mr. Liu Chunbin resigned as an executive Director with effect from 1 January 2025.

<sup>(3)</sup> Mr. Qin Huimin was appointed as an independent non-executive Director with effect from 1 January 2025.

<sup>(4)</sup> Mr. Chen Wanlong resigned as an independent non-executive Director with effect from 1 January 2025.

<sup>(5)</sup> Mr. Huang Juyun resigned as an independent non-executive Director with effect from 1 January 2025.

During the Reporting Period, 5 Board meetings were held to consider and approve among others, including (i) the annual results of the Group for the year ended 31 August 2024; (ii) interim results of the Group for the six months ended 28 February 2025; (iii) the appointments and resignations of Directors on 1 January 2025; (iv) the share repurchase in October 2024; and (v) the share repurchase in January 2025.

According to code provision C.2.7 of Part 2 of the CG Code, the Chairman held one meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Mr. Huang Yulin is the father-in-law of Mr. Wang Li. Save as disclosed, none of the members of the Board is related to one another.

# CORPORATE GOVERNANCE REPORT

## GENERAL MEETING

General meeting proceedings are reviewed from time to time to ensure that the Company follows best corporate governance practices. The notice of annual general meeting is distributed to all Shareholders at least 21 days prior to the annual general meeting and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. The chairman of the annual general meeting exercises his power under the Articles of Association to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the beginning of the meeting. The announcement of the poll results of the general meeting will be published on the websites of the Stock Exchange and the Company on the same date of the annual general meeting.

During the Reporting Period, one annual general meeting was held on 25 February 2025. All Directors who held directorship at the relevant time had participated in the annual general meeting.

The forthcoming 2026 AGM is scheduled to be held on Tuesday, 12 February 2026. The notice of the 2026 AGM will be sent to the Shareholders at least 21 days in advance.

## BOARD COMMITTEES

The Company has three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of the Board committees operates under its terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

### Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules and the CG Code. The Audit Committee consists of three members, namely Mr. Sy Lai Yin, Sunny, Mr. Wang Donglin, and Mr. Qin Huimin all being our independent non-executive Directors. Mr. Sy Lai Yin, Sunny with appropriate qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise, and provide an independent view of the effectiveness of, the financial reporting process, the risk management and internal control systems of the Group, review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and perform other duties and responsibilities as assigned by the Board from time to time.

Two Audit Committee meetings were held during the Reporting Period in accordance to code provision D.3.3(e)(i) of Part 2 of the CG Code and the terms of reference of the Audit Committee, to review the annual results of the Group for the year ended 31 August 2024 and the interim results of the Group for the six months ended 28 February 2025. All members of the Audit Committee as at the respective meeting dates had participated in the above meetings.

The Audit Committee has also held two meetings with the external auditor of the Company during the Reporting Period.

The Audit Committee has reviewed the financial reporting system, compliance procedures, internal control and risk management systems of the Group, the independence, objectivity and effectiveness, scope of work and re-appointment of the external auditor of the Company, continuing connected transactions, anti-corruption and whistleblowing policy of the Company for the Reporting Period.



# CORPORATE GOVERNANCE REPORT

## Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with the Listing Rules and the CG Code. The Remuneration Committee has three members, comprising two independent non-executive Directors, namely Mr. Qin Huimin and Mr. Sy Lai Yin, Sunny, and one executive Director, being Mr. Wang Li. Mr. Qin Huimin is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration packages for the Directors (including the director's fees of the independent non-executive Directors) and senior management, make recommendations to the Board on employee benefit arrangements, including benefits in kind, pension rights and compensation payments (e.g. compensation payable for loss or termination of their office or appointment), and reviewing and approving matters relating to the share scheme of the Company in accordance with Chapter 17 of the Listing Rules.

Two meetings of the Remuneration Committee were held during the Reporting Period to review the remuneration policy and structure and to make recommendations to the Board on determining the annual remuneration packages of the Directors and the senior management and other related matters. All members of the Remuneration Committee as at the respective meeting dates had participated in the above meetings.

No material matters relating to the RSU Scheme was reviewed and/or approved by the Remuneration Committee during the Reporting Period.

Details of the remuneration payable to each Director for the Reporting Period are set out in note 38 to the consolidated financial statements of this Annual Report.

The remuneration of the members of the senior management (excluding Directors) by band for the Reporting Period is set out below:

	Number of individuals
<b>Remuneration bands</b>	
Nil to HKD500,000	1
HKD500,001 to HKD1,000,000	1
HKD1,000,001 to HKD1,500,000	1

## Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with the Listing Rules and the CG Code. The Nomination Committee consists of two independent non-executive Directors, being Mr. Wang Donglin and Mr. Qin Huimin, and one executive Director, being Ms. Gan Tian. Mr. Wang Donglin is the chairman of the Nomination Committee.

# CORPORATE GOVERNANCE REPORT

The Nomination Committee is responsible for reviewing and assessing the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board at least annually and the independence of the independent non-executive Directors and making recommendations to the Board on appointment and removal of Directors. In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board in accordance with the board diversity policy adopted by the Company. Diversity of the Board will be considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Three meeting of the Nomination Committee was held during the Reporting Period to review the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board, assess the independence of independent non-executive Directors and recommend the Board on the re-election and appointment of Directors. All members of the Nomination Committee as at the meeting date had participated in the above meeting.

## Corporate Governance Function

The Board is responsible for performing the functions as set out in code provision A.2.1 of Part 2 of the CG Code.

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

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

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 August 2025.

## DISCLOSURE OF INSIDE INFORMATION

The Company has in place a policy on handling and dissemination of inside information which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to determine the price of the listed securities of the Company with the latest available information. This policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules and Part XIVA of the Inside Information Provision under the SFO.

# CORPORATE GOVERNANCE REPORT

## AUDITOR'S REMUNERATION

For the Reporting Period, the fees paid/payable to BDO Limited for audit services amounted to approximately RMB2.08 million.

For the Reporting Period, the Company did not engage its auditor to provide non-audit services.

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for overseeing the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flows during the Reporting Period. A statement from the auditor about its reporting responsibilities on the consolidated financial statements for the Reporting Period is set out on pages 60 to 67 of this report. In preparing the consolidated financial statements for the Reporting Period, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis.

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

The basis on which the Company generates or preserves value over the longer term and the strategy for delivering its objectives are explained in the "Management Discussion and Analysis" set out on pages 16 to 28 of this report.

## INTERNAL CONTROLS AND RISK MANAGEMENT

The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems 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, as well as risk management functions is conducted on an annual basis. The controls built into the risk management system are intended to manage significant risks rather than eliminate the risk of failure in the Group's business and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board 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 at least annually, to consider any 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 queries 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 has its own internal audit function in accordance with code provision D.2.2 of Part 2 of the CG Code, and has undertaken a review on the internal control systems of the Company for the Reporting Period, 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. The Group's finance department is responsible for the internal control function of the Group.

# CORPORATE GOVERNANCE REPORT

The Group's internal control system includes a well-established organizational structure with clearly defined lines of responsibility and authority. The Schools are managed on a day-to-day basis by its president, who is assisted by several vice presidents responsible for one or more specific aspects of the Schools' operations. The board of directors of the Schools are responsible for the overall management and decisions on matters that are significant to the Schools. The board of directors, president and vice presidents of the 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. The Schools have 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.

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 purchase 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 build up an effective internal control and risk management systems to monitor 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 our business operation. The Company will also engage external professional advisers 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 Company is committed to continuously reviewing and improving its internal systems, including those in relation to internal supervision and control and risk management. The Board has conducted a review on the effectiveness of the internal control and risk management systems of the Group during the Reporting Period. Such review cover all material controls, including financial, operational and compliance controls and risk management functions. The Board considers that the risk management and internal control systems are effective and adequate during the Reporting Period. The Board will continue to evaluate the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal control and financial reporting functions in the future.

## SHAREHOLDERS' COMMUNICATION POLICY

As part of its regular review, the Board has reviewed the Shareholders' Communication Policy for the Reporting Period and is of the view that such policy is effective and adequately implemented.

The Company has set up an effective communication channel with investors. It carries out investor relationship maintenance work under the principles of openness and fairness and with a proactive attitude while conforming to the rules. During the Reporting Period, the Company disclosed information truly, accurately, completely and timely according to the laws, regulations and regulatory requirements via corporate communications, the websites of the Company and the Stock Exchange and general meeting in which Shareholders can meet the Directors to ensure that investors would know the important matters of the Company in a timely manner, thus protecting the investors' interests to the greatest extent.



# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' RIGHTS

The Company was incorporated in the Cayman Islands. Pursuant to the Articles of Association, general meetings of the Company shall also be convened on the written requisition of any one or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists.

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings of the Company will be voted on by poll pursuant to the Listing Rules and poll results will be published on the websites of the Company and the Stock Exchange after each general meeting. Detailed procedures for Shareholders to propose a person for election as a Director are published on the Company's website.

Under Article 64 of the Articles of Association, any one or more Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may at all times have the right, by a written requisition to the Board or the company secretary of the Company, to require the convening of an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The Board is not aware of any provisions allowing the Shareholders to put forward proposals at general meetings of the Company under the Articles of Association and the Companies Act (as revised and amended from time to time). Shareholders who wish to put forward proposals at general meetings of the Company may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company as follows:

Address: No. 001, Xinjian Lianfu Dadao, Nanchang, Jiangxi, PRC

Attn. : The Board of Directors

The Company will not normally deal with verbal or anonymous enquiries.

## CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the Reporting Period. The latest version of the Articles of Association is available on the Company's website ([www.chenlin-edu.com](http://www.chenlin-edu.com)) and the Stock Exchange's website (<https://www.hkexnews.hk>).

# DIRECTORS' REPORT

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the Reporting Period.

## PRINCIPAL ACTIVITIES

We are one of the leading providers of private comprehensive education services in Jiangxi Province, the PRC, with years of experience in the private comprehensive education service industry, being an education group specializing in full-system applied undergraduate education, vocational education and quality high school education. As at 31 August 2025, we operate five Schools, namely, (i) JXIAS, a private university located in Jiangxi Province, the PRC; (ii) Jiangxi Jishi College, a private full-time vocational college located in Jiangxi Province, the PRC, comprising two campuses located in Nanchang and Longnan, Jiangxi Province, the PRC; (iii) Guizhou College, a private higher vocational college located in Guizhou Province, the PRC; (iv) Guizhou Jishi College, a private full-time vocational college located in Guizhou Province, the PRC; and (v) Chen Lin High School, a private high school located in Henan Province, the PRC.

We offer undergraduate programs, junior college programs, vocational programs and high school programs, as well as diverse education related services. As at 31 August 2025, our five Schools had over 30,000 enrolled students. We also provide a variety of education related services, including internship management services, as well as tutoring and program management services to enterprises and education institutions.

The Company is the holding company of our Group and was incorporated in the Cayman Islands on 25 May 2018. The principal activities and particulars of our Company are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the Reporting Period by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and note 6 to the consolidated financial statement.

## BUSINESS REVIEW

A review of the Group's business for the year ended 31 August 2025, which includes a discussion of the principal challenges and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the Reporting Period, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. The review and discussion form part of this directors' report.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group has engaged professional service firms for advice regarding compliance matters in various jurisdictions in which the Group's subsidiaries operate, and has kept a close watch on any new laws or regulatory changes.

During the Reporting Period and up to the date of this report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company in material respects.

# DIRECTORS' REPORT

## RESULTS AND DIVIDEND

The consolidation results of the Group for the Reporting Period are set out on pages 68 to 72 of this report. The Board does not recommend the payment of a final dividend for the Reporting Period.

## CLOSURE OF THE REGISTER OF MEMBERS

The 2026 AGM is scheduled to be held on Thursday, 12 February 2026. In order to ascertain Shareholder's entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 9 February 2026 to Thursday, 12 February 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 6 February 2026.

## FIVE YEAR FINANCIAL SUMMARY

A five year summary of the published results and assets, liabilities and total equity of the Group for the eight months ended 31 August 2021, the three years ended 31 August 2022, 2023 and 2024, as well as the Reporting Period, is set out on page 156 of this report.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements of this report.

## SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in note 24 to the consolidated financial statements of this report.

## CAPITAL AND RESERVES

Details of the movement in the capital and reserves of the Group and of the Company during the Reporting Period are set out in the Consolidated Statement of Changes in Equity of this report and in notes 25 and 26 to the consolidated financial statements of this annual report.

As at 31 August 2025, the Company's share premium available for distribution to Shareholders amounted to approximately RMB433.8 million (31 August 2024: RMB433.8 million).

## PRE-EMPTIVE RIGHTS

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

# DIRECTORS' REPORT

## DIRECTORS

The Board consists of the following Directors as at the date of this report:

### Executive Directors

Mr. Huang Yulin (*Chairman and CEO*)

Mr. Wang Li

Ms. Gan Tian

Ms. She Hui

### Independent Non-executive Directors

Mr. Sy Lai Yin, Sunny

Mr. Wang Donglin

Mr. Qin Huimin

## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management as at the date of this report are set out on pages 12 to 15 in the section headed "Profiles of Directors and Senior Management" to this report.

In order to take advantage of the skills, experiences and diversity of perspectives of the Directors and in order to ensure that the Directors give sufficient time and attention to the Group's affairs, the Company has requested each of the Directors to disclose to the Company, the number and the nature of their offices held in public companies and other significant commitments.

### Directors' service contract

Each of the executive Directors has entered into a service contract with the Company for a term of three years and each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of one year.

The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The term of the service contracts and letters of appointment are subject to the review by the Remuneration Committee and the Board in accordance with the Listing Rules and other applicable laws.

Save as disclosed above, none of the Directors (including the Directors proposed for re-election at the 2026 AGM) have a service contract/service agreement with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.



# DIRECTORS' REPORT

## CONTRACT OF SIGNIFICANCE

During the year ended 31 August 2025, save as disclosed in the paragraphs headed "Non-exempt Continuing Connected Transactions" below in this report, no contract of significance was entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries during the Reporting Period or subsisted at the end of the Reporting Period, and 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 was entered into during the Reporting Period or subsisted at the end of the Reporting Period.

## DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Other than disclosed in this report, no transaction, arrangement and contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the Reporting Period.

## COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in note 38 and note 10, respectively, to the consolidated financial statements of this report.

For the Reporting Period, no emoluments were paid by the Group to any Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors had waived any emoluments for the Reporting Period.

Except as disclosed above, no other payments had been made or were payable, for the Reporting Period, by our Group to or on behalf of any of the Directors.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules, other than being a Director and/or its subsidiaries during the Reporting Period.

The independent non-executive Directors confirmed that they have reviewed the information provided by the controlling shareholders and were satisfied that there were no conflict of interests between the Group and the controlling shareholders throughout the Reporting Period.

# DIRECTORS' REPORT

## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### Contractual Arrangements

#### Background

We have entered into a number of Contractual Agreements with our Consolidated Affiliated Entities in our ordinary and usual course of business, which constitute continuing connected transactions under Chapter 14A of the Listing Rules.

We currently conduct our private education and vocational education business through our Consolidated Affiliated Entities in the PRC. In the PRC, private education is subject to certain foreign ownership restrictions. Under applicable laws and regulations, foreign-invested education institutions offering higher education and vocational education must be operated in the form of Sino-foreign cooperation, and the applicable PRC laws and regulations also impose certain qualification requirements (the “**Qualification Requirements**”) on the foreign investors of Sino-foreign joint venture private schools. As the PRC government usually does not approve the establishment of Sino-foreign joint venture private schools as a matter of practice, we are unable to directly hold, and do not hold, any equity interest in our Consolidated Affiliated Entities. In order to comply with the applicable PRC legal and regulatory restrictions, we will obtain control over, and derive economic benefits from, our Consolidated Affiliated Entities through the use of Contractual Arrangements.

#### Efforts and actions undertaken to comply with the Qualification Requirements

Up to the date of this report, apart from the steps taken as disclosed in the Prospectus and previous years' annual reports, the Group is still in the progress of working on different ways of obtaining the Qualification Requirements.

#### Summary of the Contractual Arrangements

The Contractual Arrangements which were in place during the Reporting Period are as follows:

1. The exclusive business cooperation agreement dated 15 September 2018, pursuant to which Chen Lin Education Science shall provide technical services, management support and consulting services to JXIAS and Nanchang Di Guan, and JXIAS and Nanchang Di Guan agreed to pay Chen Lin Education Science a service fee equal to all of their respective amount of surplus from the operations (after deducting necessary costs and reasonable expenses) (the “**Exclusive Business Cooperation Agreement**”).
2. The exclusive call option agreement dated 15 September 2018, pursuant to which each of the Registered Shareholders and Nanchang Di Guan unconditionally and irrevocably agreed to grant Chen Lin Education Science or its designated third party an exclusive option to purchase all or part of the equity interests in Nanchang Di Guan, or Nanchang Di Guan's sponsor's interest in JXIAS, as the case may be for the minimum amount of consideration permitted by applicable PRC laws and regulations (the “**Exclusive Call Option Agreement**”).
3. The equity pledge agreement dated 15 September 2018, pursuant to which each of the Registered Shareholders agreed to pledge all of their respective equity interests in Nanchang Di Guan to Chen Lin Education Science as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts under the Contractual Arrangements (the “**Equity Pledge Agreement**”).

# DIRECTORS' REPORT

4. The shareholders' voting rights entrustment agreement and powers of attorney dated 15 September 2018, pursuant to which each of the Registered Shareholders has unconditionally and irrevocably authorised and entrusted Chen Lin Education Science or its designated person to exercise all of his/her/their respective rights as shareholders of Nanchang Di Guan to the extent permitted by the PRC laws (the **"Shareholders' Voting Rights Entrustment Agreement and Powers of Attorney"**).
5. The school sponsor's and directors' rights entrustment agreement and powers of attorney dated 15 September 2018, pursuant to which Nanchang Di Guan has irrevocably authorized and entrusted Chen Lin Education Science or its designated person to exercise all its rights as the sponsor of JXIAS to the extent permitted by the PRC laws; and each of the directors of JXIAS appointed by Nanchang Di Guan has irrevocably authorized and entrusted Chen Lin Education Science or its designated person to exercise all his/her rights as directors of JXIAS as appointed by Nanchang Di Guan and to the extent permitted by PRC laws (the **"School Sponsor's and Directors' Rights Entrustment Agreement and Powers of Attorney"**).

Further, (i) upon the completion of the acquisition of Jiangxi Jishi College, on 23 December 2020, Ruicheng Education and Jiangxi Jishi College have entered into the letters of undertaking of the Contractual Arrangements (the **"LOUs"**). Pursuant to the LOUs, Ruicheng Education and Jiangxi Jishi College have agreed to be subject to the terms and conditions of the Contractual Arrangements; (ii) upon the completion of the acquisition of Guizhou College, on 30 April 2021, Guizhou Xikai and Guizhou College have entered into the LOUs. Pursuant to the LOUs, Guizhou Xikai and Guizhou College have agreed to be subject to the terms and conditions of the Contractual Arrangements; and (iii) upon the completion of the acquisition of Chen Lin High School, Henan Kunren and Chen Lin High School have entered into the LOUs on 31 July 2021. Pursuant to the LOUs, Henan Kunren and Chen Lin High School have agreed to be subject to the terms and conditions of the Contractual Arrangements.

During the Reporting Period, the amount of transactions contemplated under the Contractual Arrangements was nil.

## Significance and financial contributions of the Consolidated Affiliated Entities

Pursuant to the Contractual Arrangements, the Group obtains control over and drives the economic benefits from the Consolidated Affiliated Entities. The following table sets out the financial contribution of the Consolidated Affiliated Entities:

	Significances and financial contribution to the Group					
	Revenue		Net (loss)/profit		Total assets	
	For the year ended 31 August 2025 RMB'000	For the year ended 31 August 2024 RMB'000	For the year ended 31 August 2025 RMB'000	For the year ended 31 August 2024 RMB'000	As at 31 August 2025 RMB'000	As at 31 August 2024 RMB'000
Consolidated Affiliated Entities	600,702	599,452	(394,054)	28,490	4,048,241	4,465,928

## Risks associated with the Contractual Arrangements

For risks associated with the Contractual Arrangements, please see the section headed "Risk Factors — Risks Relating to our Contractual Arrangements" in the Prospectus for details.

# DIRECTORS' REPORT

## **Material change in relation to the Contractual Arrangements**

During the Reporting Period, there is no material change in the Contractual Arrangements and/or the circumstances under which they were adopted.

## **Unwinding the Contractual Arrangements**

The Company will unwind the Contractual Arrangements as soon as the laws allows the business of the Consolidated Affiliated Entities to be operated without the Contractual Arrangements.

However, during the Reporting Period, none of the Contractual Arrangements had been unwound as none of the restrictions that led to the adoption of the Contractual Arrangements had been removed.

## **Waiver from the Stock Exchange**

The Stock Exchange has granted a waiver to the Company from strict compliance with the connected transactions requirements under Chapter 14A of the Listing Rules in respect of the Contractual Arrangements. For details, please refer to the section "Connected Transactions" in the Prospectus.

## **Confirmation from Independent Non-executive Directors**

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that during the Reporting Period, (i) no transaction pursuant to the Contractual Arrangements had been carried out during the year ended 31 August 2025; (ii) no dividends or other distributions have been made by Nanchang Di Guan to the holders of its equity interest which are not otherwise subsequently assigned or transferred to our Group; (iii) apart from the disclosure above, no contracts were entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities; and (iv) the Contractual Arrangements were entered in the ordinary and usual course of business of the Group, on normal commercial terms or better and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **Confirmation of the Auditor**

The Company was listed on the Stock Exchange on 13 December 2019 and the Contractual Arrangements in place are the same as those set out in the Prospectus. However, there is no transaction carried out, nor any dividend or other distribution made by Nanchang Di Guan pursuant to the Contractual Arrangements. Accordingly, there was nothing that the Company's auditor can report on and therefore the auditor is not engaged in this respect for the year ended 31 August 2025. When such transactions or distributions arise, the auditor will be engaged to carry out the necessary work.

## **CONNECTED TRANSACTIONS**

During the Reporting Period, save as disclosed in the section headed "Non-exempt Continuing Connected Transactions" above in this report, the Group had not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.



# DIRECTORS' REPORT

## RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in note 36 to the consolidated financial statements of this report.

None of the related party transactions disclosed in note 36 to the consolidated financial statements of this report constituted a connected transaction or continuing connected transaction subject to independent Shareholders' approval, annual review and other disclosure requirements under Chapter 14A of the Listing Rules.

## CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at 31 August 2025 or at any time during the Reporting Period.

## EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Company did not enter into any equity-linked agreement.

## DONATIONS

During the Reporting Period, our Group did not make significant donations (for the year ended 31 August 2024: nil).

## DEBENTURES ISSUED

The Group did not issue any debenture during the Reporting Period and up to the date of this report.

## BREACH OF LOAN AGREEMENT

As at 31 August 2025, the Company had not breached any terms of its loan agreements that are significant to the Group's operations.

## MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceedings during the Reporting Period.

## LOAN AND GUARANTEE TO THE DIRECTORS, SENIOR MANAGEMENT AND CONTROLLING SHAREHOLDERS OF THE COMPANY

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management, controlling shareholders of the Company or their respective close associates.

# DIRECTORS' REPORT

## RSU SCHEME

On 20 August 2019, the RSU Scheme was approved and adopted by the Directors. Pursuant to the Consultation Conclusions, Chapter 17 of the Listing Rules has been amended to govern both share award schemes and share option schemes with effect from 1 January 2023. In light of the above, the Board has resolved on 30 November 2022 in relation to the amendments to be made to the RSU Scheme in order to bring in line with the amended rules, and the amendments were duly approved by the Shareholders in an extraordinary general meeting of the Company held on 30 January 2023. For further details in relation to the amendments, please refer to the announcement of the Company dated 30 November 2022 and the circular of the Company dated 6 January 2023.

### Principal Terms of the RSU Scheme

#### (a) Purpose

The purpose of the RSU Scheme is to incentivise Directors, senior management and employees of our Group for their contribution to our Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of our Group by providing them with the opportunity to own equity interests in our Company.

#### (b) Eligible person

Persons eligible to receive RSUs under the RSU Scheme are existing employees, Directors (whether executive or non-executive, but excluding independent non-executive Directors) or officers of our Company or any member of our Group or any person who, in the sole opinion of the Board, has contributed or will contribute to any member of our Group (the “**RSU Eligible Person(s)**”).

#### (c) Remaining life

The RSU Scheme will be valid and effective for a period of ten (10) years, commencing from 20 August 2019 (unless it is terminated earlier in accordance with its terms). As at 31 August 2025, the remaining life of the RSU Scheme was approximately four years.

#### (d) Maximum number of shares to be granted

The maximum number of RSUs that may be granted under the RSU Scheme shall not exceed 100,000,000 Shares in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) representing 10% of the number of Shares in issue as at the date of amendment and the date of the annual report.

#### (e) Maximum entitlement of each participant

Any grant of RSUs to a RSU Eligible Person selected by the Board to be granted RSUs (the “**Selected Person**”) under the RSU scheme would result in Shares issued and to be issued in respect of all RSUs, options or awards granted to such person (excluding any RSUs, options and awards lapsed in accordance with the terms of the RSU Scheme or any other Share Scheme(s)) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant of RSUs must be separately approved by Shareholders in general meeting with such Selected Person and his/her close associates (or his/her associates if the Selected Person is a connected person of the Company) abstaining from voting. The number and terms of RSUs to be granted to such Selected Person must be fixed before Shareholders' approval.

# DIRECTORS' REPORT

## **(f) Purchase Price**

Initially and subject to otherwise determined by the Board at its absolute discretion at the relevant time for each individual grant of RSUs, a Selected Person is not required to pay any grant or purchase price or make any other payment to the Company to accept the RSUs granted pursuant to grant letter, nor is he/she required to pay any conversion price upon the conversion of the RSUs.

## **(g) Vesting of the RSUs**

The vesting of the of the RSUs may be subject to criteria, conditions and the time schedule, and such criteria, conditions and time schedule shall be stated in the grant letter. The vesting period shall not be less than 12 months or such other period as the Listing Rules may prescribe or permit.

In respect of any Selected Person who is a Director or a senior manager, the Remuneration Committee may, or in respect of any other Selected Person, the Directors may, establish performance targets against the attainment of which the RSUs granted to the Selected Person concerned. The Directors (or, as the case may be, the Remuneration Committee) shall have the authority, after the grant of any RSUs which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the Vesting Period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Directors (or, as the case may be, the Remuneration Committee).

Proposed performance targets include business, financials, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as that for the Selected Persons based on individual performance indicators relevant to their roles and responsibilities. The Directors (or, as the case may be, the Remuneration Committee) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the Participants with the pre-agreed targets to determine whether the targets and the extents to which have been met.

# DIRECTORS' REPORT

## (h) Conversion of RSUs

RSUs held by a Participant that are vested as evidenced by the vesting notice may be converted (in whole or in part) by the Participant serving an conversion notice in writing on the Trustee and copied to the Company subject to the conditions of this Scheme. The period within which an RSU may be converted by the Participant under this Scheme must not be more than ten (10) years from the date of grant of the RSUs. Any conversion of RSUs must be in respect of a Board Lot or an integral multiple thereof (except where the number of RSUs which remains unconverted is less than one Board Lot). In an conversion notice, the Participant shall request the Trustee to, and the Board shall direct and procure the Trustee to within five (5) Business Days, transfer the Shares underlying the RSUs converted (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Participant which the Company has allotted and issued to the Trustee as fully paid up Shares or which the Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any shareholder of the Company, subject to the Participant paying the conversion price (where applicable) and all tax, stamp duty, levies and charges applicable to such transfer to the Trustee or as the Trustee directs. Notwithstanding the foregoing, if the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable laws, regulations or rules within the period specified above, the date on which the relevant Shares shall be allotted and issued or transferred (as the case may be) to such Participant shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules. The Participant shall serve the conversion notice within three (3) months after receiving the Vesting Notice. The Trustee will not hold the Shares underlying the RSUs vested for the Participant after this three (3) months period. If the conversion notice is not served during this three (3) months period or the Shares underlying the RSUs converted cannot be transferred to the Participant pursuant to the preceding paragraph due to the Participant not being able to provide sufficient information to effect the transfer, the RSUs vested or converted (as the case may be) shall lapse unless otherwise agreed by the Board at its absolute discretion.

## (i) RSU trustee

Our Company has appointed Mr. Huang Yulin as the trustee (the “**RSU Trustee**”) to assist in the administration of the RSU Scheme. Our Company may (i) allot and issue Shares to the RSU Trustee to be held by the RSU Trustee and which will be used to satisfy the Shares underlying the RSUs upon exercise and/or (ii) direct and procure the RSU Trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the Shares underlying the RSUs upon exercise. Our Company shall procure that sufficient funds are provided to the RSU Trustee by whatever means as our Board may in its absolute discretion determine to enable the RSU Trustee to satisfy its obligations in connection with the administration of the RSU Scheme.



# DIRECTORS' REPORT

Details of the RSUs granted under the RSU Scheme as at 31 August 2025 is set out as below:

Name of the guarantees	Position held within our Group	Number of Shares represented by the RSUs	Approximate percentage of shareholding <sup>(1)</sup>
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## Directors of our Company

Mr. Wang Li	Executive Director and co-president	2,391,000	0.24%
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## Senior management of our Group (excluding those who are also Directors)

Ms. Fang Xiaozhen	Chief operating officer	3,268,000	0.33%
Mr. Lu Dong	General manager of administrative and legal department	558,000	0.06%

Rank/position held with our Group	Number of Shares represented by the RSUs	Approximate percentage of shareholding <sup>(1)</sup>
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39 management staff and employees of our Group <sup>(2)</sup>	26,094,700	2.61%
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Notes:

- (1) The calculation is based on the number of 1,000,000,000 Shares in issue (including treasury shares) as at 31 August 2025. The Company had 7,220,000 treasury shares as at 31 August 2025.
- (2) This includes 6,217,000 RSUs held by one Director and two senior management, further details of which are set out in the table above.
- (3) All the RSUs granted above were granted on 20 August 2019 before the listing of the Company on the Stock Exchange on 13 December 2019.

# DIRECTORS' REPORT

During the Reporting Period and up to the date of this report, (i) no RSU was granted under the RSU Scheme; and (ii) none of the RSUs granted under the RSU Scheme was converted, cancelled or lapsed.

A total of 40,020,000 Shares had been reserved for the RSU Scheme, comprising (i) 13,925,300 Shares, representing approximately 1.39% of the issued share capital of the Company, that remained grantable under the RSU Scheme as at 1 September 2024 and 31 August 2025; and (ii) 26,094,700 Shares, representing approximately 2.61% of the issued share capital of the Company, that had been granted and vested but not yet converted under the RSU Scheme. For any future grants of RSUs under the RSU Scheme, the Company will first utilize the remaining 13,925,300 existing Shares.

The grantees of the RSUs granted under the RSU Scheme as referred to in the table above are not required to pay for grant or exercise of any RSU.

For the RSUs granted under the RSU Scheme to the named individual grantees of the RSUs set out in the table above, they shall (unless the Company shall otherwise determine and so notify such grantee in writing) be vested as follows:

- (1) as to 50.0% of the RSUs on 18 November 2020;
- (2) as to 30.0% of the RSUs on 18 November 2021; and
- (3) as to 20.0% of the RSUs on 18 November 2022.

As at 31 August 2025, all the RSUs granted under the RSU Scheme were fully vested.

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

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

# DIRECTORS' REPORT

## INTERESTS IN THE COMPANY

Name of Director/ chief executive	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Mr. Huang Yulin <sup>(3)</sup> <sup>(4)</sup>	Interest in a controlled corporation	562,674,000	56.27%
Mr. Wang Li <sup>(5)</sup> <sup>(6)</sup>	Beneficial owner	2,391,000	0.24%
	Interest of spouse	21,871,000	2.19%

Notes:

- (1) All interest stated above are long positions.
- (2) The calculation is based on the total number of 1,000,000,000 Shares in issue (including treasury shares) as at 31 August 2025. The Company had 7,220,000 treasury shares as at 31 August 2025.
- (3) 495,174,000 Shares are registered under the name of Huangyulin Holdings, the issued share capital of which is owned as to 100% by Mr. Huang Yulin. Accordingly, Mr. Huang Yulin is deemed to be interested in the interest held by Huangyulin Holdings for the purpose of Part XV of the SFO.
- (4) 67,500,000 Shares are registered under the name of Chen Lin Elite Holdings, the issued share capital of which is owned as to 100% by Huangyulin Holdings. Accordingly, both Mr. Huang Yulin and Huangyulin Holdings is deemed to be interested in the interest held by Chen Lin Elite Holdings for the purpose of Part XV of the SFO.
- (5) Mr. Wang Li is interested in the RSUs granted to him under the RSU Scheme entitling him to receive 2,391,000 Shares (which were fully vested to him).
- (6) Mr. Wang Li is the spouse of Ms. Huang Yuan. Accordingly, Mr. Wang Li is deemed to be interested in the interest held by Ms. Huang Yuan for the purpose of Part XV of the SFO.

# DIRECTORS' REPORT

## INTERESTS IN OTHER MEMBERS OF THE GROUP

Name of Director	Name of associated corporations of the Group	Capacity/Nature of interest	Approximate percentage of registered capital
Mr. Huang Yulin	Nanchang Di Guan, JXIAS, Ruicheng Education, Jiangxi Jishi College, Guizhou Xikai,	Beneficial owner	74.00%
	Guizhou College, Henan Kunren, Chen Lin High School and Gan Zhou Chen Lin <sup>(2)</sup>	Interest in a controlled corporation	74.00%
Mr. Wang Li	Nanchang Di Guan, JXIAS, Ruicheng Education, Jiangxi Jishi College, Guizhou Xikai, Guizhou College, Henan Kunren, Chen Lin High School and Gan Zhou Chen Lin <sup>(2)</sup>	Interest of spouse	13.00%

Notes:

- (1) All interests stated are long positions.
- (2) Nanchang Di Guan, JXIAS, Ruicheng Education, Jiangxi Jishi College, Guizhou Xikai, Guizhou College, Henan Kunren, Chen Lin High School and Gan Zhou Chen Lin, by virtue of the Contractual Arrangements, are all accounted as subsidiaries of the Group. Nanchang Di Guan holds 100.00% of the sponsor's interest of JXIAS; Ruicheng Education holds 100.00% of the sponsor's interest of Jiangxi Jishi College; Guizhou Xikai holds 100.00% sponsor's interest of Guizhou College; Henan Kunren holds 100% sponsor's interest of Chen Lin High School.

Save as disclosed above, as at 31 August 2025, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; or to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.



# DIRECTORS' REPORT

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

So far as the Directors were aware, as at 31 August 2025, the following persons (other than Directors or chief executive of the Company) or corporations who had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO; or which were required to be disclosed to the Company and the Stock Exchange pursuant to Division 2 and 3 of part XV of the SFO, were as follows:

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of issued share capital <sup>(2)</sup>
Huangyulin Holdings <sup>(3)</sup>	Beneficial owner	495,174,000	49.52%
	Interest in a controlled corporation	67,500,000	6.75%
Ms. Xiong Yan <sup>(4)</sup>	Interest of spouse	562,674,000	56.27%

Notes:

- (1) All interest stated are long positions.
- (2) The calculation is based on the total number of 1,000,000,000 Shares in issue (including treasury shares) as at 31 August 2025. The Company had 7,220,000 treasury shares as at 31 August 2025.
- (3) 67,500,000 Shares are registered under the name of Chen Lin Elite Holdings, the issued share capital of which is owned as to 100% by Huangyulin Holdings. Accordingly, Mr. Huang Yulin and Huangyulin Holdings is deemed to be interested in the interest held by Chen Lin Elite Holdings for the purpose of Part XV of the SFO.
- (4) Ms. Xiong Yan is the spouse of Mr. Huang Yulin. Accordingly, Ms. Xiong Yan is deemed to be interested in the interest held by Mr. Huang Yulin for the purpose of Part XV of the SFO.

Save as disclosed above, as at 31 August 2025, the Directors are not aware of any other person (other than Directors or chief executive of the Company) or corporation who had interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or which would require to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO.

# DIRECTORS' REPORT

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

### Repurchase Mandate

The Directors have been granted the general mandate (the "**Repurchase Mandate**") pursuant to resolutions of the Shareholders passed on 25 February 2025 to repurchase Shares in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares as at the date of passing such resolution.

### Share Repurchase

On 28 October 2024, the Company repurchased 3,570,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$4,998,000 and on 13 January 2025, the Company repurchased 3,650,000 Shares under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$5,000,500 (excluding transaction costs) which are held as treasury shares (as defined under the Listing Rules) of the Company, details as below:

Date of repurchase	No. of Shares repurchased	Purchase price per Share		Aggregate consideration paid (HK\$)
		Highest price paid (HK\$/Share)	Lowest price paid (HK\$/Share)	
28 October 2024	3,570,000	1.4	1.4	4,998,000
13 January 2025	3,650,000	1.37	1.37	5,000,500

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange during the year ended 31 August 2025 and up to the date of this report.

The Board considers that the Shares repurchased by the Company and held as treasury shares may provide more flexibility to the Board to resell the treasury shares on the market prices to raise additional funds for the Company, or transfer or use for Share grants under share schemes that comply with Chapter 17 of the Listing Rules and for other purposes permitted under the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

The Company had 7,220,000 treasury shares (as defined under the Listing Rules) as at 31 August 2025 and the date of this report.

Save as disclosed in this report and other than the RSU Scheme, there have been no option, convertible securities or similar rights or arrangements issued or granted by the Group during the Reporting Period and up to the date of this report.

## MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the aggregate revenue attributable to the Group's five largest customers was less than 30% of the total revenue for the Reporting Period.

During the Reporting Period, the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the total purchases for the Reporting Period.

# DIRECTORS' REPORT

None of the Directors, their close associates, or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares (excluding treasury shares) of the Company) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the Reporting Period.

## DIVIDEND POLICY

As we are a holding company, our ability to declare and pay dividends will depend on receipt of dividends and other payments from Chen Lin Education Science, which in turn substantially depends on the service fees paid to Chen Lin Education Science from our Consolidated Affiliated Entities. There remain certain uncertainties with respect to our ability to pay dividends to our Shareholders under the influence of the Decision of the Standing Committee of the National People's Congress on Amending the Law for Promoting Private Education of the PRC (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) (the "**Amendment Decision**") which came into effect on 1 September 2017. Pursuant to the Amendment Decision, sponsors of existing private schools engaged in higher education may elect to register the schools as non-profit or for-profit private schools. In March 2022, JXIAS submitted the decision to the Jiangxi Education Department to register as a for-profit private school (the "**Application**"). As at the date of this report, the Application is still under process. Prior to the completion of the registration, JXIAS remains as a non-profit private school. If we were to have elected to register our Schools as for-profit private schools, as confirmed by our PRC legal advisor and with reference to our dividend policy, our ability to distribute dividends to our Shareholders will not be materially affected. If we were to have elected to register our School as a non-profit private school, our ability to distribute dividends to our Shareholders may be limited. To mitigate such risks, we have adopted and/or will adopt the following measures: (i) we have established a special committee to mitigate any relevant compliance risks and to advise on the decision to register our Schools as for-profit or non-profit private schools. When making such decision, our Directors will take into consideration a variety of factors including the development of our business and the interests of our Shareholders; (ii) we plan to further strengthen and diversify our offering of education related services to widen our revenue base and to enhance our profitability; and (iii) our ability to pay dividends and other cash distributions to our Shareholders depends solely on our ability to receive dividends and other distributions from Chen Lin Education Science, which in turn depends on the service fees paid to Chen Lin Education Science from our Consolidated Affiliated Entities.

Any amount of dividends we pay will be determined 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. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws and the Articles of Association. Subject to the foregoing, the Board does not recommend the payment of a final dividend for the year ended 31 August 2025.

## TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

## RELATIONSHIP WITH OUR EMPLOYEES

During the Reporting Period, we had not experienced any material dispute with our employees or disruption to our operations due to labour dispute and we had not experienced any difficulty in the recruitment and retention of employees.

Details of the pension obligations of the Company are set out in note 10 to the consolidated financial statements of this report.

# DIRECTORS' REPORT

## SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this report, the Company has maintained the minimum public float of not less than 25% as required under the Listing Rules.

## PERMITTED INDEMNITY PROVISIONS

At no time during the Reporting Period, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors, except the insurance cover of the legal proceeds against the Directors currently provided by the Company to each Director.

## CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices.

Save for the non-compliance with code provision C.2.1 of the CG Code as disclosed under the heading "CORPORATE GOVERNANCE PRACTICES" in the "Corporate Governance Report" of this report, the Company has complied with all the applicable code provisions of the CG Code during the year ended 31 August 2025 and up to the date of this report.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 29 to 40 of this annual report.

## AUDITOR

The consolidated financial statements for the Reporting Period have been audited by BDO Limited, Certified Public Accountants, who was appointed to fill the casual vacancy following the resignation of PricewaterhouseCoopers on 26 July 2023, and are proposed for reappointment at the forthcoming 2026 AGM.

Save as disclosed above, there has been no change in the auditor of the Company in any preceding three years.

On behalf of the Board

**Huang Yulin**

*Chairman*

Nanchang, the PRC

28 November 2025



# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF CHEN LIN EDUCATION GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Chen Lin Education Group Holdings Limited ("**the Company**") and its subsidiaries (together "**the Group**") set out on pages 68 to 155, which comprise the consolidated statement of financial position as at 31 August 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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 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 ("**IFRS Accounting Standards**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3(c) to the consolidated financial statements, which indicates that the Group incurred a loss of approximately RMB412,012,000 for the year ended 31 August 2025 and had net current liabilities of approximately RMB1,694,985,000 as of that date. As at 31 August 2025, the Group's current liabilities included current borrowings amounting to RMB1,199,694,000 in total, while its cash and cash equivalents was approximately HK\$150,257,000. In addition, as at 31 August 2025, the Group had capital commitments that had been contracted but not provided for amounting to RMB67,042,000. As stated in Note 3(c), these conditions, along with other matters as set forth in Note 3(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### Assessment of goodwill and other non-financial assets impairment

#### Refer to notes 15, 16, 17 and 18 to the consolidated financial statements

We identified impairment assessment of goodwill and other non-financial assets as a key audit matter due to the high degree of uncertainties associated with estimating the future operating performance of the cash generating units ("**CGUs**"), and the complexity and subjectivity of management estimates involved and the appropriateness of the significant assumptions adopted in the determination of recoverable amounts, as well as the significance of the carrying values of the goodwill and other non-financial assets to the CGUs.

The goodwill was derived from acquisitions of various schools in the past years. As at 31 August 2025 and prior to the impairment assessment, the Group had goodwill amounting to RMB261,519,000 and other non-financial assets, including property, plant and equipment, right-of-use assets, intangible assets, other non-current assets, amounting to RMB1,928,715,000 attributable to three CGUs, namely Jiangxi College of Arts and Sciences Technicians ("**Jiangxi Jishi College**"), Guizhou Vocational College of Industry and Trade ("**Guizhou College**") and Zhengzhou Airport Economy Zone Chen Lin High School ("**Chen Lin High School**"), with a total carrying amount of RMB2,189,640,000, before provision for impairment. In addition, impairment indicators are identified for Jiangxi Jishi College and Guizhou College.

As at 31 August 2025, management performed impairment assessments to assess the recoverable amounts of these CGUs, which were determined as the higher of value-in-use ("**VIU**") or fair value less cost of disposal ("**FVLCOD**"). The value-in-use calculations were derived from income approach based on future cash flow forecasts of the CGUs and the fair value less cost of disposal calculations were performed by management with reference to valuations prepared by external valuation experts.

The assumptions applied in the VIU calculations would require significant management estimates, including number of students, growth rates of number of students and fees, and discount rate when applying VIU calculations.

The observable and unobservable inputs applied in the FVLCOD calculations, including unit price per square meter of comparable lands, as well as price adjustment index for buildings and building improvements and other property, plant and equipment.

Based on the management's assessment, impairment loss of RMB193,287,000 and RMB95,513,000 have been recognised for goodwill and other non-current assets respectively, for the year ended 31 August 2025.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (continued)

### Assessment of goodwill and other non-financial assets impairment (continued)

Refer to notes 15, 16, 17 and 18 to the consolidated financial statements (continued)

Our response:

Our performed audit procedures in relation to assessment of goodwill and other non-financial assets impairment which included:

- Obtained an understanding of the management's internal controls and assessment process of the impairment assessment of goodwill, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as the management estimates involved and appropriateness of significant assumptions adopted in determining the VIU and FVLCOB calculations of the CGUs;
- Assessed the competence, capabilities and objectivity of the external valuation experts who assisted management in determining the VIU and FVLCOB calculations of the CGUs;
- Assessed management's future cash flow forecasts and calculations of VIU of the CGUs with the assistance of our internal valuation expert. Our procedures included:
  - Assessing the appropriateness of the methodology adopted by reference to market practices;
  - Assessing and challenging the underlying key assumptions used;
  - Assessing the discount rate by reference to external data, including the risk factor of comparable school and market risk premium;
  - Assessing and challenging the appropriateness of other key input data;
  - Testing the mathematical accuracy of the discounted cash flows calculations; and
  - Assessed management's sensitivity analysis to evaluate the assumptions to which the outcome of the discounted cash flows is more sensitive and the likelihood that an impairment may be resulted.
- Assessed management's FVLCOB calculations on CGUs with the assistance of our internal valuation expert. Our procedures included:
  - Assessing the appropriateness of the methodology adopted by reference to market practices;
  - Assessing the reasonableness of the underlying key assumptions used;
  - Assessing and challenging the appropriateness of other key input data; and
  - Assessing the mathematical accuracy of FVLCOB calculations.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (continued)

### **Derecognition of payables to government authority in respect of government grants received and restoration of deferred revenue**

#### **Refer to notes 29 and 32 to the consolidated financial statements**

We identified the accounting treatment of government grants received as a key audit matter due to significant management's judgement and estimate involved in determination of the nature of the amount and the appropriate accounting classification.

The Group had previously recognised other non-current payables to government authority amounting to RMB233,349,000 by the end of last financial year. These payables were related to government grants received for the construction of the school campus of the predecessor school of Guizhou College in the past years. The initial assessment indicated that the government grants contained ongoing conditions and requirements that would not be fully fulfilled by Guizhou College and its sponsor, both being subsidiaries of the Group, regarding Guizhou College's conversion from a not-for-profit to a for-profit school ("**Conversion**"), which requires a financial clearing process to determine the obligations and any repayment of government funding.

In February 2025, Guizhou College formally withdrew its application for Conversion. Following the withdrawal of the application and acknowledgment from the related government authority, management concluded that the obligation related to other non-current payables have been extinguished and there is reasonable assurance that Guizhou College will comply with the ongoing conditions and therefore remains eligible for the government grants. Accordingly, the Group derecognised the payables to government authority of RMB236,570,000 and recognised restoration of deferred revenue of RMB279,120,000 upon the withdrawal of the application. A loss of RMB42,550,000 was recognized in the consolidated statement of profit or loss and other comprehensive income.



# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (continued)

### **Derecognition of payables to government authority in respect of government grants received and restoration of deferred revenue** (continued)

**Refer to notes 29 and 32 to the consolidated financial statements** (continued)

*Our response:*

Our performed audit procedures in relation to derecognition of payables to government authority in respect of government grants received and restoration of deferred revenue:

- Obtained an understanding from management the history, nature and purpose of the government grants, and the judgement and estimate involved in the assessment of the change in the nature of the amount;
- Reviewed the relevant investment agreements with the government authorities upon the establishment of the predecessor school of Guizhou College, and other supporting evidences obtained subsequently that support the nature, purpose and existence of the government grants received by Guizhou College during the construction stage of the school;
- Reviewed the formal documents for Guizhou College's withdrawal of the conversion application and relevant board resolutions;
- Reviewed the communication evidence between the management and the government authority;
- Reviewed the written opinion from the Company's PRC external legal counsel with the assistance of our PRC external legal expert and discussed with them to understand their analysis and views about the impact of the conversion to the repayment obligation of the government grants with reference to the latest documents issued by the relevant government authorities and the relevant laws and requirements; and
- Reviewed whether management's accounting treatment for the derecognition of payables to government authority and restoration of deferred revenue complies with the applicable accounting standards.

# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

## DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

## 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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

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

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 directors, 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.

### **BDO Limited**

*Certified Public Accountants*

### **Chow Tak Sing, Peter**

Practising Certificate Number P04659

Hong Kong, 30 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	6	600,702	599,452
Cost of revenue	9	(434,180)	(411,093)
<b>Gross profit</b>		<b>166,522</b>	188,359
Other income	7	32,020	23,269
Other expenses	9	(10,373)	(2,765)
Other (losses)/gains, net	8	(41,718)	64,051
Net impairment losses on financial assets	9	(3,211)	(680)
Impairment losses on property, plant and equipment	9,15	(95,513)	—
Impairment losses of goodwill	9,17	(193,287)	—
Selling expenses	9	(4,336)	(5,324)
Administrative expenses	9	(147,988)	(138,133)
<b>Operating (loss)/profit</b>		<b>(297,884)</b>	128,777
Finance income	11	1,096	368
Finance costs	11	(116,034)	(112,741)
<b>Finance costs, net</b>	11	<b>(114,938)</b>	(112,373)
<b>(Loss)/profit before income tax</b>		<b>(412,822)</b>	16,404
Income tax credit/(expense)	12	810	(1,037)
<b>(Loss)/profit for the year</b>		<b>(412,012)</b>	15,367
<b>(Loss)/profit and total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>(412,012)</b>	15,367
		<b>RMB</b>	RMB
<b>(Loss)/earnings per share</b>			
— Basic	13	<b>(0.43)</b>	0.02
— Diluted	13	<b>(0.43)</b>	0.02

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2025

	Notes	At 31 August 2025 RMB'000	At 31 August 2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	15	3,247,109	3,230,559
Right-of-use assets	16	404,751	441,987
Intangible assets	17	81,604	267,938
Other non-current assets	18	70,371	108,030
Deferred income tax assets	31	2,052	1,242
Other receivables	21	3,083	30,991
		<b>3,808,970</b>	4,080,747
<b>Current assets</b>			
Trade receivables	20	9,408	7,265
Other receivables and prepayments	21	89,250	95,052
Financial assets at fair value through profit or loss	22	2,062	90
Restricted bank balances		91	45
Cash and cash equivalents	23	150,257	287,976
		<b>251,068</b>	390,428
<b>Total assets</b>		<b>4,060,038</b>	4,471,175
<b>Current liabilities</b>			
Accruals and other payables	27	311,929	305,113
Amount due to a related party	36(c)	64,391	42,267
Borrowings	28	1,199,694	841,109
Current income tax liabilities		43,478	43,481
Deferred revenue	29	13,648	7,744
Contract liabilities	6	306,759	374,329
Lease liabilities	30	6,154	2,899
		<b>1,946,053</b>	1,616,942
<b>Net current liabilities</b>		<b>(1,694,985)</b>	(1,226,514)
<b>Total assets less current liabilities</b>		<b>2,113,985</b>	2,854,233

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2025

	Notes	At 31 August 2025 RMB'000	At 31 August 2024 RMB'000
<b>Non-current liabilities</b>			
Borrowings	28	1,247,319	1,576,982
Deferred revenue	29	376,416	108,822
Contract liabilities	6	533	933
Lease liabilities	30	50,217	73,415
Other non-current payables	32	–	233,349
		<b>1,674,485</b>	1,993,501
<b>Total liabilities</b>		<b>3,620,538</b>	3,610,443
<b>Net assets</b>		<b>439,500</b>	860,732
<b>Capital and reserves</b>			
Share capital	24	89	89
Share premium	24	433,763	433,763
Treasury shares	24	(9,220)	–
Capital reserve	25	30,000	30,000
Statutory surplus reserves	25	143,150	142,732
Share-based payments reserve	26	53,382	53,382
(Accumulated loss)/retained earnings	25	(211,664)	200,766
<b>Total equity</b>		<b>439,500</b>	860,732

The consolidated financial statements on pages 68 to 155 were approved and authorised for issue by the Board of Directors on 28 November 2025 and are signed on its behalf by:

**Huang Yulin**  
Chairman

**She Hui**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2025

	Attributable to owners of the Company							Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000 (Note 24)	Capital reserve RMB'000 (Note 25(a))	Statutory surplus reserves RMB'000 (Note 25(b))	Share-based payment reserve RMB'000	Retained earnings/ (accumulated losses) RMB'000 (Note 25(c))	
<b>At 1 September 2023</b>	89	433,763	–	30,000	138,026	53,382	190,105	845,365
Profit and total comprehensive income for the year	–	–	–	–	–	–	15,367	15,367
Share-based payments expense (note 26)	–	–	–	–	–	–	–	–
Profit appropriation to statutory reserve	–	–	–	–	4,706	–	(4,706)	–
<b>At 31 August 2024 and 1 September 2024</b>	89	433,763	–	30,000	142,732	53,382	200,766	860,732
Loss and total comprehensive income for the year	–	–	–	–	–	–	(412,012)	(412,012)
Repurchases of shares	–	–	(9,220)	–	–	–	–	(9,220)
Profit appropriation to statutory reserve	–	–	–	–	418	–	(418)	–
<b>At 31 August 2025</b>	89	433,763	(9,220)	30,000	143,150	53,382	(211,664)	439,500



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	34(a)	<b>141,000</b>	113,925
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of right-of-use assets		–	(1,771)
Purchases of land use right		–	(16,551)
Government grants received relating to purchase of land use right and property, plant and equipment	29	<b>6,182</b>	38,528
Proceeds from lawsuit claims of an acquired subsidiary initiated prior to acquisition by the Group		–	10,697
Purchases of property, plant and equipment		<b>(172,636)</b>	(499,843)
Repayment from a loan receivable		<b>9,611</b>	–
Repayment from a corporate project		–	36,530
Interest paid for capitalised on qualifying assets		<b>(42,621)</b>	(53,293)
Proceeds from disposal of property, plant and equipment		<b>419</b>	–
Payment in profit-sharing investment		<b>(3,500)</b>	–
Purchases of intangible assets		<b>(8,961)</b>	(3,699)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(211,506)</b>	(489,402)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		<b>949,712</b>	974,890
Repayments of borrowings		<b>(920,021)</b>	(617,087)
(Increase)/decrease in restricted bank balances	23	<b>(46)</b>	3,842
Borrowings from a related party		<b>19,627</b>	11,858
Payments of lease liabilities		<b>(3,274)</b>	(3,671)
Repurchase of shares		<b>(9,220)</b>	–
Interest paid		<b>(103,991)</b>	(80,997)
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>		<b>(67,213)</b>	288,835
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(137,719)</b>	(86,642)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>287,976</b>	374,618
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	23	<b>150,257</b>	287,976

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## I. GENERAL

Chen Lin Education Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 25 May 2018 as an exempted company with limited liability under the Companies Act (2023 Revision, as consolidated and revised) (the “**Companies Act**”) of the Cayman Islands. The address of its registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The headquarters and principal business operations of the Group is located at No. 1, Lianfu Avenue, Xinjian District, Nanchang City, Jiangxi Province, the People’s Republic of China (“**PRC**”).

The Company is an investment holding company. The Company and its subsidiaries (together “**the Group**”) provide comprehensive educational services in Jiangxi province, Guizhou province and Henan province of the PRC. The Group has been operating Jiangxi Institute of Applied Science and Technology (江西應用科技學院) (“**JXIAS**”) since 1984. In December 2020, the Group acquired Jiangxi College of Arts and Sciences Technicians (江西文理技師學院) (“**Jiangxi Jishi College**”) from a third party. In April and July 2021, the Group further acquired Guizhou Vocational College of Industry and Trade (貴州工貿職業學院) (“**Guizhou College**”) and Zhengzhou Airport Economy Zone Chen Lin High School (鄭州航空港區辰林高級中學) (“**Chen Lin High School**”) from third parties, respectively. In June 2022, Guizhou Provincial People’s Government approved the establishment of Guizhou Chenlin Industry and Trade Technician College (貴州辰林工貿技師學院) (“**Guizhou Jishi College**”), which is held by Guizhou Xikai Education Investment Company Limited (“貴州西凱教育投資有限公司”). Guizhou Jishi College was established in October 2024.

The ultimate controlling party of the Group is Mr. Huang Yulin, who is an executive director (the “**Director(s)**”) and the chairman of the board (the “**Board**”) of Directors (the “**Controlling Shareholder**”).

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since 13 December 2019.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousand yuan (“**RMB’000**”), unless otherwise stated.

## 2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

### (a) New or amended standards adopted by the Group — effective 1 September 2024

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

None of these new or amended IFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended IFRSs that is not yet effective for the current accounting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(continued)

### (b) New or amended IFRSs that have been issued but are not yet effective

The following new or amended IFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to IAS 21	Lack of exchangeability <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Impairment to IFRS Accounting Standards — Volume 1 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective date to be determined.

Further details about those IFRSs that are not yet effective and are expected to be applicable to the Group are as follows:

#### Amendments to IAS 21, Lack of Exchangeability

The Amendments 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 the 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 Directors of the Company do not anticipate that the application of the amendments will have an impact on the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(continued)

### (b) New or amended IFRSs that have been issued but are not yet effective (continued)

#### Amendments to IFRS 9 and IFRS 7

The Amendments to IFRS 9 and IFRS 7 clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer, the requirements for assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, characteristics of non-recourse loans and contractually linked instruments. The Amendments also introduce additional disclosure requirements for equity instruments classified as FVOCI and for financial instruments with contingent features.

The Directors of the Company do not anticipate that the application of the amendments will have material impact on the consolidated financial statements.

#### IFRS 18

IFRS 18 will have a significant effect on how entities present their financial statements with emphasis on reporting of financial performance. The areas that will be significantly affected include categorisation and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Directors of the Company anticipate that the application of IFRS 18 will not have material impact on the financial performance and position of the Group but may cause material impact on the presentation of the consolidated financial statements.

## 3. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

### (c) Going concern

The Group incurred a loss of approximately RMB412,012,000 for the year ended 31 August 2025 and had net current liabilities of approximately RMB1,694,985,000 as of that date. Included in the net current liabilities were (i) borrowings (Note 28) amounting to RMB1,199,694,000 in total, out of which were bank borrowings of RMB692,764,000, with RMB14,300,000 under factoring arrangement and borrowings under finance lease arrangement of RMB492,630,000; and (ii) a repayable on demand interest bearing loan due to an executive director, Mr. Huang Yulin, of RMB64,391,000 (Note 36(c)). In addition, the Group had acquisition commitments for the acquisition of property, plant and equipment of RMB67,042,000 (Note 35). However, the Group's cash and cash equivalents as at 31 August 2025 only amounted to RMB150,257,000.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 3. BASIS OF PREPARATION (continued)

### (c) Going concern (continued)

In view of the above conditions, the Directors of the Company have given careful consideration to the Group's future liquidity, performance, and available sources of financing in assessing whether it will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position and its operations which include, but not limited to the following:

- (i) The Group continuously optimizes its program and course offerings in response to market conditions and policy directions to enhance the competitiveness of its graduates, while simultaneously strengthening its attractiveness and brand recognition among potential applicants;
- (ii) The Group continues to implement active measures to control administrative costs, optimize its debt structure, control finance costs, and contain capital expenditures to enhance the Group's net operating cash inflows;
- (iii) The Group has been actively negotiating with banks and other financial institutions to renew existing facilities to finance its operations, capital expenditures, and other financing obligations.

In respect of the Group's borrowings as at 31 August 2025, borrowings of approximately RMB366,000,000 have been subsequently renewed, while borrowings amounting to RMB853,000,000 are currently in the process of the renewal.

As of the date of the approval of these consolidated financial statements, the Group has reached consensus with certain banks, including state-owned banks, and other financial institutions to renew existing loans or provide new facilities totalling RMB1,063,000,000. In respect of new loan facilities out of this amount, borrowings of approximately RMB90,000,000 have completed preliminary due diligence, and it is expected that the banks and financial institutions will grant the loans upon execution of the loan agreements. In addition, based on latest communication, the banks and the financial institutions agreed to extend facilities upon expiry of the existing facilities or to grant additional facilities, amounting to approximately RMB973,000,000 in aggregate. The Directors expect that the Group will be able to renew its existing facilities upon expiry and obtain additional facilities, on the basis of its past record of compliance with borrowing terms, including timely repayment of principal and interest, and the availability of sufficient collaterals; and

- (iv) The executive director, Mr. Huang Yulin, has undertaken not to demand repayment of the amount due from the Group of RMB64,391,000 as at 31 August 2025 until such time when repayment will not affect the Group's ability to repay other creditors in the normal course of business.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 3. BASIS OF PREPARATION (continued)

### (c) Going concern (continued)

The Directors of the Company reviewed the Group's cash flow projections prepared by the management covering a period of not less than twelve months from the end of the reporting period, and consider that, taking into account the abovementioned plans and measures, the Group will have sufficient financial resources to meet its financial obligations and commitments as and when they fall due for at least twelve months from the end of the reporting period. Accordingly, the Directors of the Company considered that it is appropriate to prepare the consolidated financial statements as a going concern basis.

Notwithstanding the above, there are inherent uncertainties regarding the future outcome of these plans and measures, including the followings:

- (i) successful execution of the Group's business strategies and cost-control measures to generate sufficient cash flows, as well as its operational performance meeting expectations, particularly with respect to student enrollment levels and tuition fee income during the forecast period;
- (ii) successful negotiation with the lenders for the renewal of existing facilities on terms and conditions comparable to the existing borrowings, and satisfactory completion of the due diligence by the potential lenders for additional facilities on a timely basis and with the terms that are commensurate with the financial strength of the Group;
- (iii) the financial capability of the relevant financial institutions to provide such credit facilities to the Group; and
- (iv) the financial ability of the executive director, Mr. Huang Yulin, to honor his undertaking to the Group, including whether he is able to provide the additional funds at an amount when requested or not to demand repayment from the Group when the Group is not in a position to repay.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying amount of the Group's assets to their realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES

### Principles of consolidation and equity accounting

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### (a) Subsidiaries controlled through Contractual Arrangements

A wholly-owned subsidiary of the Company, Chen Lin Education Science (Jiangxi) Co., Ltd. (“辰林教育科技(江西)有限公司”, “**Chen Lin Education Science**”), has entered into a series of contractual agreements (the “**Contractual Agreements**”) with Nanchang Di Guan Education Consultancy Co., Ltd. (“南昌迪冠教育諮詢有限公司”, “**Nanchang Di Guan**”), Gan Zhou Chen Lin Education Investment Co., Ltd. (“贛州辰林教育投資有限公司”, “**Gan Zhou Chen Lin**”), Nanchang Ruicheng Education Consulting Company Limited (“南昌瑞誠教育諮詢有限公司”), Guizhou Xikai Education Investment Company Limited, Henan Kun Ren Education Science Technology Company Limited (“河南坤仁教育科技有限公司”), JXIAS, Jiangxi Jishi College, Guizhou College, Guizhou Jishi College and Chen Lin High School (“**the Schools**”), (collectively the “**Consolidated Affiliated Entities**”) and the equity shareholders including Mr. Huang Yulin, Ms. Huang Yuan and Mr. Huang Guandi. The contractual agreements enable Chen Lin Education Science and the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the corporate management and educational management consultancy services, as well as technical and business support services provided by Chen Lin Education Science. Such services include development, design, upgrade and ordinary maintenance on educational software and website; design on college course and major; compilation and selection and/or recommendation on college course materials; recruitment and training supporting on teachers and other employees; admission and enrolment supporting services; public relation services; market research and development services; management and marketing consulting and related services; and other additional services as the parties may mutually agree from time to time;
- obtain an irrevocable and exclusive right to purchase all of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Chen Lin Education Science may exercise such options at any time until it has acquired all equity interests in and/or all assets of the Consolidated Affiliated Entities permitted under the PRC laws and regulations. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Chen Lin Education Science; and
- obtain a pledge over the entire equity interest of the Consolidated Affiliated Entities from their equity holders to secure performance of the obligations of the Consolidated Affiliated Entities under the Contractual Agreements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (a) Subsidiaries controlled through Contractual Arrangements (continued)

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Agreements, the Group 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 considered to control the Consolidated Affiliated Entities. Accordingly, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries under IFRSs. The Group has consolidated the financial position and financial results of the Consolidated Affiliated Entities in the consolidated financial statements during all the years presented or since the date the entity first come under the control of the Group.

Nevertheless, the Contractual Agreements may not be as effective as direct legal ownership in providing the Group direct control over the Consolidated Affiliated Entities, due to the uncertainties presented by the PRC legal system to impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities. The Directors, based on the advice of the Company's legal counsel, consider that the Contractual Agreements with the Consolidated Affiliated Entities and their equity shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

#### (b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividends exceeds the total comprehensive income of the subsidiary in the period the dividends is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill. Investments in subsidiaries are also assessed for impairment and written down to their recoverable amounts in accordance with Note 4(h).

#### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). CODM, who is responsible for allocating resources and assessing performance operating segments, has been identified as the Company's Board of Directors that makes strategic decisions.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (d) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as profit or loss in the consolidated statements of comprehensive income.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other gains/(losses) — net'.

#### (e) Leases

The Group leases various properties as school premises. Rental contracts are typically made for fixed periods of 3 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Favorable leases represent leases where the lease terms are more favorable as compared to market prices. Favorable leases are recognised at fair value upon the acquisition of subsidiaries.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statements of comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets except for prepayments for land use rights are depreciated over the shorter of an asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (e) Leases (continued)

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

The lease payments are discounted using the respective incremental borrowing rate. Payments associated with short-term leases are recognised on a straight-line basis as an expense in consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

The Group's right-of-use assets also consist of up-front payments to acquire long-term interest in the usage of land, which are stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land and other direct related costs from the date when the respective rights were granted. Amortisation of prepaid land lease payments is calculated on a straight-line basis over the lease terms as stated in the relevant land use right certificates granted for usage by the Group in the PRC or the best estimate based on the normal terms in the PRC and is charged to profit or loss in the consolidated statement of profit or loss and other comprehensive income.

The depreciation periods of the Group's right of use assets are:

Land use rights	50 years
Lease of buildings including favorable lease	11–15 years
Lease of equipment	8 years

#### (f) Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (f) Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives as follows:

Buildings and building improvements	5–50 years
Office furniture and fixtures	6–20 years
Electronic equipment	3–12 years
Vehicles	12 years

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

Building improvements are mainly costs for painting the walls of buildings with new environmental protection materials. The useful life of building improvements is estimated to be 5 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress represents properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time as the assets are completed and are ready for operational use.

#### (g) Intangible assets

##### (i) Goodwill

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired (see Note 4(h)).

##### (ii) Student base

The student base intangible assets refer to the registered and existing students of Schools that were acquired by the Group. The students are expected to pay tuition and boarding fees until their graduation.

The student base will be generating income for schools in the tuition periods, thus it is identified as an intangible asset based on its fair value on the acquisition date. The student base is amortised using the straight-line method over the respective periods until the graduation of the existing students ranging from 1.5 to 2 years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (g) Intangible assets (continued)

##### (iii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives varying from 8 to 12 years. Costs associated with maintaining computer software programmes are recognised as expense as incurred.

The length of useful life of an intangible asset is determined based on (i) estimated period during which such assets can bring economic benefits to the Group; and (ii) the useful life estimated on software of similar nature and functions. The Group reviews the length of useful life at each year end.

#### (h) Impairment of non-financial assets

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

#### (i) Investments and other financial assets

##### (i) Classification

The Group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (i) Investments and other financial assets (continued)

##### (ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset (except for financial asset at fair value through profit or loss (FVPL)). Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss of the consolidated statements of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other losses — net" in the period in which it arises.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (i) Investments and other financial assets (continued)

##### (iii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables and loan receivable is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

#### (j) Trade and other receivables

Trade receivables are amounts due from students of the university and customers for services provided in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

#### (k) 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).

#### (l) Accrual and other payables

Accrual and other payables are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accrual and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

If the Group revises its estimates of payments (excluding modification), it adjusts the gross carrying amount of the financial liability to reflect the actual and revised estimated contractual cash flows. The Group recalculates the amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial liability's original effective interest rate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (l) **Accrual and other payables** (continued)

##### *Derecognition/modification of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

#### (m) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless they are not due to be settled within 12 months after the reporting period and the Group has the right to defer settlement of the liability for at least 12 months after the reporting year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (n) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### (o) Current and deferred income tax

Income taxes for the year comprise current income tax and deferred income tax. Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Current income tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred income tax is recognised in respect of temporary differences. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, taxable temporary differences arising on investments in subsidiaries where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (p) Employee benefits

##### (i) Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceilings. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

##### (ii) Housing funds, medical insurances and other social insurances

The PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceilings. The Group's liability in respect of these funds is limited to the contributions payable in each period.

##### (iii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (iv) Employee leave entitlement

Employee entitlement to annual leave are recognised when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employees entitlement to sick leave and maternity leave are not recognised until the time of leave.

##### (v) Bonus plan

The expected cost of bonus is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (q) Share-based payments

The Company set up a Restricted Share Units (“RSUs”) Scheme as incentive to the eligible employees, including certain directors, senior management members and employees of the Group, in exchange for their services for the Group.

For grant of RSUs, the total amount to be expensed is determined by reference to the fair value of the Company's shares at the grant date.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

#### (r) Revenue recognition

##### (i) Tuition and boarding fees

Tuition and boarding fees of the Group's schools are generally received in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period in which the services are rendered. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities. Amounts which will be earned within one year is reflected as a current liability, and which will be earned beyond one year is reflected as a non-current liability.

##### (ii) Revenue from internship management services

The Group introduces qualified students from the Group's schools and other schools to participate in the Group's cooperative enterprises' internship programmes and receives management fees from the enterprises with respect to each student the Group introduced. The fee is recognised as revenue over the period of the relevant programmes.

##### (iii) Revenue from tutoring and programme management services

The Group recognises revenue based on the provision of tutoring services to students from the Group's schools and other schools. These include provision of tutoring or career development related courses. The fee is recognised as revenue over the period of the relevant tutoring programmes.

The Group also receives the revenue from providing programme orientation and student referral services for enterprises. The revenue is recognised at a point in time when the service obligations are fulfilled and the fee is calculated based on the number of students participating in the programmes.

##### (iv) Revenue from other education related services

The Group provides several kinds of education related services to students and other parties. Revenue is measured at the consideration received or receivable for the service provided. The Group recognises revenue when it transfers services to a customer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Principles of consolidation and equity accounting (continued)

#### (r) Revenue recognition (continued)

##### (v) Other income

Other income consists of government grants, sub-contracting income, commission income and others.

The Group receives income from sub-contracting the canteen catering operations and the campus stores in the school campus to other parties. Income from sub-contracting is recognised evenly over the period of the respective agreements.

##### Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

#### (s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### Judgements

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

#### (a) Contractual Arrangements

The Group conducts a substantial portion of the business through the Consolidated Affiliated Entities in the PRC due to regulatory restrictions on the foreign ownership in the Group's schools in the PRC (Note 4(a)). The Group does not have any equity interest in the Consolidated Affiliated Entities. The Directors assessed whether or not the Group has control over the Consolidated Affiliated Entities by assessing whether it 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. After assessment, the Directors concluded that the Group has control over the Consolidated Affiliated Entities as a result of the Contractual Agreements and accordingly the financial position and the operating results of the Consolidated Affiliated Entities are included in the Group's consolidated financial statements throughout the reporting period or since the respective dates of incorporation/establishment, whichever is the shorter period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities. There are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations which could impede the Group's power over the Consolidated Affiliated Entities and its beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities.

Whenever there is any event which may impact the validity and enforceability of the Contractual Arrangements, the Directors would reassess whether or not the Contractual Arrangements continue to be legally enforceable.

The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among Chen Lin Education Science, the Consolidated Affiliated Entities and their equity shareholders continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are valid and legally enforceable.

Considering all the facts and circumstances, the Company continue to control and consolidate the Consolidated Affiliated Entities for the year ended 31 August 2025.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### Judgements (continued)

#### (b) Income taxes

According to the Implementation Rules for the Law for Promoting Private Education (“**Implementing Rules**”), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatment. The Implementing Rules provide that the private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools, and relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. However, as of the date of issuance of these consolidated financial statements, no separate policies, regulations or rules have been introduced by the authorities in this regard. Based on the historical tax returns filed to the relevant tax authorities, the Schools has historically enjoyed preferential tax treatment since its establishment.

Significant judgement is required in interpreting the relevant tax rules and regulation so as to determine whether the Group is subject to enterprise income tax. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

#### (c) Derecognition of payables to government authority in respect of government grants received and restoration as deferred revenue

Regarding the payables to government authority (Note 32), the Directors assessed that the nature of the arrangement and determined that the repayment obligation to government authorities no longer exists when Guizhou College formally withdrew its application to convert from not-for-profit school to for-profit school (“**Conversion**”). Accordingly, the Group derecognised the payables to government authority from financial liabilities and restored the deferred revenue.

Significant judgement is required in assessing whether the repayment obligation to the government authority in respect of government grants was extinguished upon the withdrawal of the Conversion application, and whether the Group continues to meet the ongoing conditions and requirements attached to the government grants in order to remain eligible for the government grants obtained earlier.

#### (d) Going concern assumption

As disclosed in Note 3(c), these consolidated financial statements have been prepared on a going concern basis. The directors of the Company assessed the appropriateness of the going concern basis after considering all relevant available information about the Group’s future, including a cash flow forecast covering a period of not less than twelve months from the end of the reporting period. This forecast inherently involves assumptions and estimations and subject to uncertainties, including the successful execution of the Group’s business plans to generate expected operating cash flows, the timely renewal of existing facilities and securing additional facilities on reasonable terms, as well as the financial capability of the relevant financial institutions to provide the funding to the Group, the financial capability of the related party to provide the undertaking to the Group. Actual results could differ significantly and hence render the adoption of the going concern basis not appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 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.

#### (a) Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values and consequently the related depreciation charges for its property, plant and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

#### (b) Useful life of right-of-use assets

The Group's management determines the estimated useful lives and the amortisation method in determining the related amortisation charges for its right-of-use assets. This estimate is based on the management's experience of the actual practice of similar nature and functions and normal terms in the PRC. This estimate is based on the historical experience of the actual useful lives of right-of-use assets. Management will increase the amortisation charge where useful lives are estimated to be shorter than previously estimated.

#### (c) Impairment of goodwill and non-financial assets

The goodwill arose from the acquisition of subsidiaries and is allocated to the CGU that is expected to benefit from the synergies. Impairment assessment is performed on an annual basis or more frequently when there is an impairment indication in accordance with the accounting policy stated in Note 4(h). The recoverable amount of a CGU is determined based on the higher of fair value less cost of disposal ("**FVLCO**D") and value in use ("**VIU**") which requires the use of estimates and valuation techniques. When applying valuation technique, the Group relies on a number of factors and judgements, including, among others, historical results, business plans, forecasts and market data. Future changes in the circumstances and conditions underlying the estimates and judgement exercised may affect the estimation of the recoverable amount and thus result in adjustment to the carrying amounts of those assets comprising the CGUs. Details of the impairment assessment are set out in note 17.

#### (d) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 39(a)(ii).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 6. REVENUE AND SEGMENT INFORMATION

### (a) Description of segment and principal activities

The Group is principally engaged in the provision of private tertiary education services in the PRC. The Group's chief operation decision maker has been identified as the chairman and Directors who consider the business from the service perspective. For the purpose of resource allocation and performance assessment, the chief operation decision maker reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies set out in note 4. Accordingly, their segment information is aggregated as a single reportable segment. Management of the Group assesses the performance of the reportable segment based on the revenue and gross profit for the year of the Group as presented in the consolidated statements of comprehensive income.

### (b) Segment revenue

Revenue for the years ended 31 August 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Tuition fees	531,225	530,370
Boarding fees	60,465	60,272
Internship management fees	1,137	1,478
Tutoring and programme management services	7,875	2,332
Others	—	5,000
	600,702	599,452

During the years ended 31 August 2025 and 2024, all of the Group's revenue were generated in the People's Republic of China ("PRC") and all of its non-current assets were located in the PRC.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 6. REVENUE AND SEGMENT INFORMATION (continued)

### (b) Segment revenue (continued)

The analysis of revenue recognised over time and at a point in time as required by IFRS 15 is set out below:

	2025 RMB'000	2024 RMB'000
<b>Recognised over time</b>		
Tuition fees	531,225	530,370
Boarding fees	60,465	60,272
Internship management fees	1,137	1,478
Tutoring and programme management services	7,875	2,332
<b>Recognised at a point in time</b>		
Others	—	5,000
	<b>600,702</b>	<b>599,452</b>

The Group's revenue is subject to seasonal fluctuations. Tuition and boarding fees of the Group's schools are generally received in advance prior to the beginning of academic year commencing from late August and September each year. Tuition and boarding fees revenues are recognised proportionately over the relevant period in which the services are rendered excluding school term breaks and vacation periods.

The Group's subsidiaries provide educational services to a large number of students who are regarded as customers of the Group. No single customer accounted for more than 10% of the Group's revenue during the year.

### (c) Contract liabilities

The Group has recognised the following contract liabilities:

	2025 RMB'000	2024 RMB'000
Contract liabilities related to tuition fees	267,861	323,574
Contract liabilities related to boarding fees	35,878	39,276
Contract liabilities related to other revenue	—	11,079
Contract liabilities related to other income	3,553	1,333
	<b>307,292</b>	<b>375,262</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 6. REVENUE AND SEGMENT INFORMATION (continued)

### (c) Contract liabilities (continued)

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

	2025 RMB'000	2024 RMB'000
<b>Revenue recognised that was included in the balance of contract liabilities at the beginning of the year</b>		
Tuition fees	323,574	388,440
Boarding fees	39,276	48,699
Other revenue	11,079	14,587
<b>Other income recognised that was included in the balance of contract liabilities at the beginning of the year</b>		
Other income	400	400
	<b>374,329</b>	452,126

### (d) Unsatisfied contracts

The following table shows unsatisfied performance obligations resulting from contracts with students or companies:

	2025 RMB'000	2024 RMB'000
<b>Expected to be recognised within one year</b>		
Tuition fees	267,861	323,574
Boarding fees	35,878	39,276
Other revenue	2,620	11,079
Other income	400	400
	<b>306,759</b>	374,329
<b>Expected to be recognised within one to two years</b>		
Other income	400	933
<b>Expected to be recognised more than two years</b>		
Other income	133	—
	<b>533</b>	933
	<b>307,292</b>	375,262

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 6. REVENUE AND SEGMENT INFORMATION (continued)

### (e) Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance at 1 September	375,262	455,358
Decrease in contract liabilities as a result of recognising revenue and other income during the year that was included in the contract liabilities at the beginning of the year	(374,329)	(452,126)
Increase in contract liabilities as a result of advanced consideration received from customers	306,359	372,030
Balance at 31 August	307,292	375,262

### (f) Pledge of revenue proceeds

The Group's long-term and short-term bank borrowings of RMB1,417,953,000 (2024: RMB1,254,937,000) and long term borrowings from a financial institution of nil (2024: RMB47,007,000) were secured by the pledge of the rights over the collection of tuition fees and boarding fees of the Group's schools.

The Group's borrowings from financial institution arising from factoring of trade receivables of RMB43,553,000 (2024: nil) were secured by the pledge of the rights over the collection of other services of the Group's schools.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants and subsidies (note a)		
— Recognised from deferred revenue (notes 29 and 32)	15,282	13,261
— Recognised from grant received during the year	1,531	510
Sub-contracting income (note b)	3,810	3,964
Management service fee income (note c)	648	1,979
Research service projects income	8,894	—
Others (note d)	1,855	3,555
	32,020	23,269

- (a) Government grants and subsidies mainly represent subsidies from government for laboratory apparatus and equipment for conducting educational service.
- (b) The Group receives income from sub-contracting the canteen catering operations, the hotel and the campus stores in JXIAS campus to other parties.
- (c) Management service fee income mainly includes management fee related to campus operation management.
- (d) Others mainly include income from the electricity price difference between selling to canteen and purchasing from power stations, income from selling daily necessities to students, and miscellaneous income related to operations.

The analysis of other income, excluding government grants and subsidies, recognised over time and at a point in time as required by IFRS 15 is set out below:

	2025 RMB'000	2024 RMB'000
<b>Recognised over time</b>		
Sub-contracting income	3,810	3,964
Research service projects income	8,894	—
Others	1,855	3,555
<b>Recognised at a point in time</b>		
Others	648	1,979
	15,207	9,498

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 8. OTHER (LOSSES)/GAINS — NET

	2025 RMB'000	2024 RMB'000
Net fair value losses on financial assets at FVPL (note 22)	(1,528)	(14)
Donations	1,607	115
Gain on modification on financial liabilities (note 32)	—	35,495
Net foreign exchange losses	(22)	(91)
Loss on disposal of property, plant and equipment	(444)	(748)
Write-back of other payable	215	8,058
Lawsuit claims of an acquired subsidiary initiated prior to acquisition by the Group (note a)	—	22,313
Lawsuit claims (notes b & c)	(1,187)	—
Gain on lease modification	1,739	—
Loss on restoration of deferred revenue (note 32)	(42,550)	—
Others	452	(1,077)
	(41,718)	64,051

Notes:

- (a) A former shareholder of a wholly-owned subsidiary (the "**Subsidiary**") of the Company was sued by the Subsidiary for a claim since 2011 and such claim was treated as unrecoverable. Following the final decision of the court in the PRC, the Subsidiary won the lawsuit case and recognised a gain of RMB22,313,000 for the claim during the year ended 31 August 2024 (note 21).
- (b) During the year ended 31 August 2025, Guizhou College, one of the schools of the Company was sued by an independent third party supplier for damages arising from breach of a cooperation agreement entered between Guizhou College and the supplier. Following the final decision of the court in the PRC, the supplier won the lawsuit case and a corresponding compensation payment of approximately RMB7,487,000 was settled by Guizhou College.
- (c) During the year ended 31 August 2025, Chen Lin High School, one of the schools of the Company won a lawsuit relating to a lease contract disputes of the school campus. The corresponding claim of RMB6,300,000 was recognized a gain during the year ended 31 August 2025.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 9. EXPENSES BY NATURE

The detailed analysis of cost of revenue, other expenses, selling expenses, administrative expenses, net impairment losses on financial assets, impairment losses on non-financial assets and impairment losses on goodwill is as follows:

	2025 RMB'000	2024 RMB'000
Employee benefit expenses (note 10)	271,640	252,322
Depreciation expenses (note 15)	123,190	98,437
Amortization expenses (note 17)	2,008	1,402
Depreciation expenses of right-of-use assets (note 16)	18,812	20,525
Students activities expenses	55,352	55,081
Promotion expenses	4,206	4,945
Repair and maintenance fees	33,712	37,254
Electricity and water expenses	12,281	11,780
Office expenses	24,876	21,795
Professional service fees	8,749	13,798
Net impairment losses on financial assets	3,211	680
Impairment losses on property, plant and equipment	95,513	—
Impairment losses of goodwill	193,287	—
Auditor's remuneration — audit services	2,080	2,580
Educational supplies and consumables	1,283	7,164
Others	38,688	30,232
	<b>888,888</b>	557,995

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 10. EMPLOYEE BENEFIT EXPENSES

	2025 RMB'000	2024 RMB'000
Salaries and wages	225,702	196,510
Discretionary bonuses	575	5,661
Share-based payments (note 26)	—	—
Contributions to pension plan (note a)	19,986	24,160
Housing fund, medical insurance and other social benefits	25,377	25,991
Total employee benefit expenses (note 9)	271,640	252,322

### (a) Contributions to pension plan

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at a rate of 16% (2024: 16%) of the basic salary. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above mentioned retirement schemes at their normal retirement age.

The Group also participates in a pension scheme under the rules and regulations of Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the MPF Scheme vest immediately.

The Group's contributions to the defined contribution schemes vest fully and immediately with the employees. Accordingly, (i) for the years ended 31 August 2025 and 2024, there was no forfeiture of contributions under the defined contribution schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution schemes as at 31 August 2025. No forfeited contributions may be used if there is forfeited contributions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 10. EMPLOYEE BENEFIT EXPENSES (continued)

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 August 2025 include three (2024: three) directors. Their emoluments are reflected in the analysis presented in note 38. Details of the remunerations of the remaining highest paid non-director individuals during the year are set out as follows:

	2025 RMB'000	2024 RMB'000
Salaries and wages	1,529	1,513
Discretionary bonuses	–	–
Share-based payments	–	–
Contributions to pension plan	66	64
Housing fund, medical insurance and other social benefits	88	75
	1,683	1,652

The remaining non-director individuals whose remuneration for the year fell within the following band are as follows:

	2025	2024
Emolument band (HKD500,001 to HKD1,000,000)	1	1
Emolument band (HKD1,000,001 to HKD1,500,000)	1	1

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## II. FINANCE COST — NET

	2025 RMB'000	2024 RMB'000
Finance income		
— Interest income derived from deposits	122	368
— Imputed interest income on other receivables (non-current portion)	974	—
	<b>1,096</b>	368
Finance costs		
— Interest expenses on bank borrowings	(63,847)	(61,495)
— Interest expenses on other borrowings	(82,118)	(81,481)
— Imputed interest expenses on other receivables (non-current portion)	—	(1,083)
— Imputed interest expenses on other non-current payables (note 32)	(6,699)	(14,337)
— Finance cost on lease liabilities (note 30)	(3,494)	(4,692)
— Interest expenses on amount due to a related party	(2,497)	(2,946)
Less: borrowing costs capitalised on qualifying assets (note 15)	42,621	53,293
	<b>(116,034)</b>	(112,741)
Finance costs — net	<b>(114,938)</b>	(112,373)

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's borrowings for construction in progress during the year ended 31 August 2025, in this case was 7.27% (2024: 6.70%) per annum.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 12. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax expense (credited)/charged to profit or loss in the consolidated statement of comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current income tax		
— Current income tax for the year	—	445
— Deferred income tax (note 31)	(810)	592
Income tax (credit)/expense	(810)	1,037

The Group's principal applicable taxes and tax rates are as follows:

### (a) Cayman Islands

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

### (b) British Virgin Islands

The Company's direct subsidiary in the BVI was incorporated under the BVI Companies Act, 2004 and accordingly, is exempted from BVI income tax.

### (c) Hong Kong

No provision for Hong Kong profit tax was provided as the Group did not have assessable profits derived from Hong Kong during the year ended 31 August 2025. The applicable Hong Kong profit tax rate is 16.5%.

### (d) Enterprise Income Tax ("EIT")

EIT is provided on assessable profits of entities incorporated in the PRC at the rate of 25% during the year ended 31 August 2025.

According to the Implementation Rules for the Law for Promoting Private Education, private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public. As a result, private schools providing academic qualification education are eligible to enjoy income tax exemption treatment if the sponsors of such schools do not require reasonable returns. The Group's schools currently have been granted enterprise income tax exemption for the tuition and boarding income from the relevant local tax authorities. For other profits that were not related to providing academic qualification education, the applicable tax rate is 25% (2024: 25%) during the year ended 31 August 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 12. INCOME TAX (CREDIT)/EXPENSE (continued)

### (e) PRC Withholding Income Tax

The profits of subsidiaries of the Group in the PRC are subject to PRC withholding income tax at a rate of 10% (2024: 10%) upon the distribution of such profits to the foreign investors in Hong Kong. Deferred income tax liabilities have not been provided for in this regard since it is not expected that dividends will be distributed from the Group's subsidiaries in the PRC to foreign investors in the foreseeable future. In the opinion of the Directors, such remaining earnings will be retained in Mainland China for the expansion of the Group's operation.

The income tax on the Group's (loss) profit before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profit of the consolidated entities as follows:

	2025 RMB'000	2024 RMB'000
(Loss)/profit before income tax	(412,822)	16,404
Tax calculated at domestic tax rates applicable to profits in the respective countries	(102,161)	5,114
Tax effects of:		
Preferential tax exemption for the Group's schools	7,084	(8,974)
Expenses not deductible for tax purpose	76,832	2,685
Tax losses for which no deferred income tax asset has been recognised	17,435	2,212
Income tax (credit)/expense	(810)	1,037

The unused tax losses of the Group's companies for which no deferred tax asset has been recognised have the following expiry dates:

	2025 RMB'000	2024 RMB'000
<b>Year of expiry</b>		
2025	—	12,455
2026	932	932
2027	3,267	3,267
2028	11,802	11,802
2029	8,847	8,847
2030	69,793	—
<b>No expiry date</b>	15,982	15,982
	110,623	53,285

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 13. (LOSS)/EARNINGS PER SHARE

### (a) Basic

The basic (loss)/earnings per share is calculated by dividing the (loss) profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	2025	2024
(Loss)/profit attributable to owners of the Company (RMB'000)	(412,012)	15,367
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	965,303,215	960,000,000
Basic (loss)/earnings per share (expressed in RMB per share)	(0.43)	0.02

### (b) Diluted

For the calculation of diluted loss per share for the year ended 31 August 2025, RSUs were not included in the calculation of the weight average number of ordinary shares outstanding because the Group incurred a loss for the year, and the effect of such inclusion is anti-dilutive.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversation of all dilutive potential ordinary shares for the year ended 31 August 2024.

The Company's potentially dilutive ordinary shares comprised of RSUs granted under the RSUs scheme.

	2024
Profit attributable to owners of the Company (RMB'000)	15,367
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	960,000,000
Effect of dilutive potential ordinary shares in respect of share options outstanding (note 26)	26,094,700
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	986,094,700
Diluted earnings per share (expressed in RMB per share)	0.02

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 14. SUBSIDIARIES

The Group's principal subsidiaries at 31 August 2025 and 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Company name	Date of incorporation	Country/Place of incorporation, legal status	Particulars of issued share capital	Ownership interest held by the Group		Principal activities and place of operation
				2025	2024	
Chen Lin Education Development Limited	4 June 2018	The British Virgin Islands ("BVI"), limited liability company	US\$1	100%	100%	Investment holding in BVI
Hong Kong Chen Lin Education Development Limited	14 June 2018	Hong Kong, limited liability company	HKD0.10	100%	100%	Investment holding in Hong Kong
Chen Lin Education Science (Jiangxi) Co., Ltd	5 September 2018	PRC, limited liability company	RMB300,000,000	100%	100%	Investment holding in PRC
Yunnan Chen Lin Human Resources Management Company Limited	17 June 2019	PRC, limited liability company	RMB2,000,000	100%	100%	Investment holding in PRC
Nanchang Di Guan Education Consultancy Company Limited <sup>#</sup>	17 September 2009	PRC, limited liability company	RMB10,000,000	100%	100%	Investment holding in PRC
Jiangxi University of Applied Science <sup>#</sup>	11 April 2002	PRC, school	RMB20,000,000	100%	100%	College operations in PRC
Nanchang Angyue Vocational Skills Training School Company Limited	9 April 2020	PRC, limited liability company	RMB2,000,000	100%	100%	Investment holding in PRC
Nanchang Ruicheng Education Consultancy Company Limited <sup>#</sup>	24 June 2020	PRC, limited liability company	RMB500,000	100%	100%	Investment holding in PRC
Jiangxi Minzhuo Consulting Management Company Limited	29 September 2020	PRC, limited liability company	RMB2,000,000	100%	100%	Investment holding in PRC



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 14. SUBSIDIARIES (continued)

Company name	Date of incorporation	Country/Place of incorporation, legal status	Particulars of issued share capital	Ownership interest held by the Group		Principal activities and place of operation
				2025	2024	
Jiangxi Wenli Jishi College <sup>#</sup>	4 November 2019	PRC, school	RMB500,000	100%	100%	Full-time vocational college operations in PRC
Guizhou Vocational College of Industry and Trade <sup>#</sup>	6 June 2016	PRC, school	RMB300,000,000	100%	100%	Higher vocational college operations in PRC
Guizhou Xikai Education Investment Company Limited <sup>#</sup>	5 September 2011	PRC, limited liability company	RMB20,000,000	100%	100%	Investment holding in PRC
Guizhou Jishi Institute of Industry and Trade	12 October 2024	PRC, limited liability company	RMB2,000,000* (*Contributed capital of Nil)	100%	N/A	For-profit private vocational school in PRC
Zhengzhou Airport Economy Zone Chen Lin High School <sup>#</sup>	25 May 2017	PRC, school	RMB100,000	100%	100%	Private high school operations in PRC
Henan Kun Ren Education Science Technology Company Limited <sup>#</sup>	18 March 2021	PRC, limited liability company	RMB1,000,000	100%	100%	Investment holding in PRC
Ganzhou Chen Lin Education Investment Company Limited <sup>#</sup>	20 August 2021	PRC, limited liability company	RMB50,000,000	100%	100%	Investment holding in PRC

<sup>#</sup> These entities are owned through contractual arrangement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and building improvements RMB'000	Office furniture and fixtures RMB'000	Electronic equipment RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost</b>						
At 1 September 2023	2,156,286	227,860	200,307	10,833	598,639	3,193,925
Additions	92,815	43,067	19,125	–	387,985	542,992
Disposals	–	–	–	(2,844)	–	(2,844)
Transfers	208,768	14,188	15,475	–	(238,431)	–
At 31 August 2024	2,457,869	285,115	234,907	7,989	748,193	3,734,073
Additions	24,776	16,798	13,471	299	180,772	236,116
Disposals	–	(28)	(220)	(1,576)	–	(1,824)
Transfers	267,663	13,524	6,900	–	(288,087)	–
At 31 August 2025	2,750,308	315,409	255,058	6,712	640,878	3,968,365
<b>Depreciation and impairment</b>						
At 1 September 2023	233,819	92,293	76,780	4,281	–	407,173
Provided for the year	55,873	28,331	13,319	914	–	98,437
Eliminated on disposals	–	–	–	(2,096)	–	(2,096)
At 31 August 2024	289,692	120,624	90,099	3,099	–	503,514
Provided for the year	69,873	27,224	25,619	474	–	123,190
Impairment loss (note 17)	67,913	2,914	3,247	38	21,401	95,513
Eliminated on disposals	–	(11)	(152)	(798)	–	(961)
At 31 August 2025	427,478	150,751	118,813	2,813	21,401	721,256
<b>Carrying values</b>						
At 31 August 2025	2,322,830	164,658	136,245	3,899	619,477	3,247,109
At 31 August 2024	2,168,177	164,491	144,808	4,890	748,193	3,230,559

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

Certain subsidiaries of the Group entered into a number of financing arrangement, in a form of sales and leaseback arrangements, with certain finance leasing companies (note 28). Whereby certain property, plant and equipment of the Group's schools were sold and leased back over twenty-four to thirty-six months lease terms. The Group has the option to re-acquire the property, plant and equipment on completion of the leases at nominal values. During such lease term and before the exercise of repurchase options at the expiry of lease term, such property, plant and equipment are effectively pledged as security for the borrowings, and are restricted for pledge or disposal under the agreements where lessors' prior consent must be obtained. As at 31 August 2025, the cost of assets under this restriction amounted to approximately RMB1.60 billion (2024: RMB1.52 billion).

Depreciation of property, plant and equipment was included in the following categories in the consolidated statements of profit or loss and other comprehensive income:

	31 August 2025 RMB'000	31 August 2024 RMB'000
Cost of revenue	101,438	89,047
Administrative expenses	21,183	9,390
Other expenses	569	—
Total	123,190	98,437

During the year ended 31 August 2025, the Group capitalised interest on borrowings amounting to approximately RMB42,621,000 (2024: RMB53,293,000) on qualifying assets (note 11).

Construction-in-progress mainly comprises buildings and building improvements under construction in the PRC.

As at 31 August 2025, the carrying amount of certain buildings without building ownership certificates is approximately RMB98,695,000 (2024: RMB41,050,000).

For CGUs that had operating loss for the current year or had performed below management's expectation, management considered these to be impairment indicators. During the year ended 31 August 2025, impairment indicators are identified for 2 CGUs, Jiangxi Jishi College and Guizhou College respectively.

In addition, an impairment assessment is performed on an annual basis on the recoverable amounts of property, plant and equipment, right-of-use assets, intangible assets and other non-current assets of 3 CGUs with goodwill allocated during the years ended 31 August 2025 and 31 August 2024. The recoverable amount is calculated based on a valuation performed by an independent professional valuation expert. Based on impairment assessment conducted during the year ended 31 August 2025, impairment loss of approximately RMB34,530,000 and RMB60,983,000 in relation to property, plant and equipment have been recognised for 2 CGUs, Jiangxi Jishi College and Guizhou College, respectively. Details of the impairment assessment were disclosed in note 17 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 16. RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Favorable lease RMB'000	Lease of buildings RMB'000	Lease of equipment RMB'000	Lease of vehicle RMB'000	Total RMB'000
<b>Cost</b>						
At 1 September 2023	417,559	27,959	90,403	7,315	–	543,236
Additions	–	–	–	–	1,771	1,771
Effect of lease modification	–	–	–	–	–	–
At 31 August 2024	417,559	27,959	90,403	7,315	1,771	545,007
Additions	–	–	–	–	–	–
Effect of lease modification	–	–	(23,115)	–	(61)	(23,176)
At 31 August 2025	<b>417,559</b>	<b>27,959</b>	<b>67,288</b>	<b>7,315</b>	<b>1,710</b>	<b>521,831</b>
<b>Depreciation and impairment</b>						
At 1 September 2023	52,099	9,682	18,076	2,638	–	82,495
Provided for the year	8,699	3,631	6,888	1,189	118	20,525
At 31 August 2024	60,798	13,313	24,964	3,827	118	103,020
Effect of lease modification	–	–	(4,752)	–	–	(4,752)
Provided for the year	8,700	3,631	5,347	825	309	18,812
At 31 August 2025	<b>69,498</b>	<b>16,944</b>	<b>25,559</b>	<b>4,652</b>	<b>427</b>	<b>117,080</b>
<b>Carrying values</b>						
At 31 August 2025	<b>348,061</b>	<b>11,015</b>	<b>41,729</b>	<b>2,663</b>	<b>1,283</b>	<b>404,751</b>
At 31 August 2024	356,761	14,646	65,439	3,488	1,653	441,987



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 16. RIGHT-OF-USE ASSETS (continued)

The land use rights represent the Group's interest in leasehold land that the Group has made prepayment for the lease of the land. These include the land lots for JXIAS at Xinjian district of Nanchang city, Jiangxi province, the PRC, Jiangxi Jishi College at Longnan district of Nanchang city, Jiangxi province, the PRC, and Guizhou College at Weining Yi and Hui and Miao Autonomous County of Bijie city, Guizhou province, the PRC. The land use rights are under leases of 50 years.

Jiangxi Jishi College and Chen Lin High School lease buildings for educational services. The respective right-of-use assets are recorded in favorable leases and lease of buildings.

The impact to profit or loss and cash flows of the right-of-use assets is as follows:

	2025 RMB'000	2024 RMB'000
<b>Profit or loss:</b>		
Depreciation of right-of-use assets, charged to cost of revenue and administrative expenses	18,812	20,525
Interest expenses relating to lease liabilities, charged to finance costs (note 11)	3,494	4,692
<b>Cash flow:</b>		
The cash outflow for settlement of leases related to land use rights presented as investing activities	—	(16,551)
The cash outflow for leases presented as financing activities	(3,274)	(3,671)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS

	Goodwill RMB'000	Student base RMB'000	Computer software RMB'000	Total RMB'000
<b>Cost</b>				
At 1 September 2023	261,519	38,295	5,808	305,622
Additions	—	—	3,699	3,699
At 31 August 2024	261,519	38,295	9,507	309,321
Additions	—	—	8,961	8,961
At 31 August 2025	<b>261,519</b>	<b>38,295</b>	<b>18,468</b>	<b>318,282</b>
<b>Depreciation and impairment</b>				
At 1 September 2023	—	37,036	2,945	39,981
Provided for the year	—	1,259	143	1,402
At 31 August 2024	—	38,295	3,088	41,383
Impairment loss	193,287	—	—	193,287
Provided for the year	—	—	2,008	2,008
At 31 August 2025	<b>193,287</b>	<b>38,295</b>	<b>5,096</b>	<b>236,678</b>
<b>Carrying values</b>				
At 31 August 2025	<b>68,232</b>	<b>—</b>	<b>13,372</b>	<b>81,604</b>
At 31 August 2024	261,519	—	6,419	267,938

Amortisation of the intangible assets was included in the following categories in the consolidated statements of profit or loss and other comprehensive income:

	2025 RMB'000	2024 RMB'000
Cost of revenue	<b>1,472</b>	1,306
Administrative expenses	<b>536</b>	96
Total	<b>2,008</b>	1,402

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS (continued)

### Impairment test for goodwill

Goodwill was derived from the acquisition of Jiangxi Jishi College in December 2020, Guizhou College in April 2021 and Chen Lin High School in July 2021.

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows:

	Notes	Opening RMB'000	Impairment RMB'000	Net Carrying amount RMB'000
<b>Year ended 31 August 2025</b>				
Jiangxi Jishi College	(i)	152,485	(152,485)	–
Guizhou College	(ii)	40,802	(40,802)	–
Chen Lin High School	(iii)	68,232	–	68,232
		<b>261,519</b>	<b>(193,287)</b>	<b>68,232</b>

	Notes	Opening RMB'000	Impairment RMB'000	Net Carrying amount RMB'000
<b>Year ended 31 August 2024</b>				
Jiangxi Jishi College	(i)	152,485	–	152,485
Guizhou College	(ii)	40,802	–	40,802
Chen Lin High School	(iii)	68,232	–	68,232
		<b>261,519</b>	<b>–</b>	<b>261,519</b>

(i) Jiangxi Jishi College, established in November 2019, is a full-time vocational college locates in Jiangxi Province, the PRC which offers vocational programs.

(ii) Guizhou College, established in May 2015, is a higher vocational college locates in Guizhou Province, the PRC which offers vocational programs and junior college programs.

(iii) Chen Lin High School, established in August 2015, is a private high school locates in Henan Province, the PRC which offers high school program.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS (continued)

### Impairment test for goodwill (continued)

The Group has performed an impairment review of the carrying amount of goodwill as at 31 August 2025 and 31 August 2024. An impairment loss is recognised for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amount of the CGUs determined based on the higher of value in use and the fair value less costs of disposal were used to compared with carrying amount of the CGUs.

In addition to goodwill, property, plant and equipment, intangible assets, right-of-use assets and other non-current assets belonging to the CGUs that generate cash flows together with the goodwill are included in the respective CGUs for the purpose of impairment assessment.

### For the year ended 31 August 2025

The recoverable amount of Jiangxi Jishi College and Guizhou College are determined based on fair value less cost of disposal calculations. The valuations were determined using the cost approach, which largely used observable and unobservable inputs, including unit price per square meter of comparable lands, as well as price adjustment index for buildings and building improvements and other property, plant and equipment. The fair values of these two CGUs subject to fair value less cost of disposal calculation is within level 3 of the fair value hierarchy.

The key assumptions used for fair value less costs of disposal calculations for the year ended 31 August 2025 are as follows:

	As at 31 August 2025	
	Jiangxi Jishi College	Guizhou College
Land — unit price per square meter (RMB)	483–486	610–635
Building and building improvements — price adjustment index (%)	94.98–97.11	92.13–111.67
Other property, plant and equipment — price adjustment index (%)	92.13–100.57	91.36–108.03

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS (continued)

### Impairment test for goodwill (continued)

#### Jiangxi Jishi College

As at 31 August 2025, the recoverable amount of RMB816,458,000 of Jiangxi Jishi College based on fair value less cost of disposal is lower than the carrying value of RMB1,003,473,000 by RMB187,015,000. Among the impairment loss, the amount of RMB152,485,000 is allocated to goodwill and the amount of RMB34,530,000 is allocated to each class of other non-financial assets of Jiangxi Jishi College as follows:

	Carrying amount RMB'000	Allocation of impairment RMB'000	Carrying amount after impairment RMB'000
<b>Goodwill</b>	<b>152,485</b>	<b>(152,485)</b>	<b>–</b>
<b>Property, Plant and Equipment</b>			
Buildings and building improvements	241,778	(12,287)	229,491
Office furniture	6,391	(538)	5,853
Electronic	7,608	(891)	6,717
Vehicles	167	(29)	138
Construction in progress	469,992	(20,785)	449,207
	<b>725,936</b>	<b>(34,530)</b>	<b>691,406</b>
Right-of-use assets	100,153	–	100,153
Intangible assets (exclude goodwill)	384	–	384
Other non-current assets	24,515	–	24,515
	<b>850,988</b>	<b>(34,530)</b>	<b>816,458</b>
	<b>1,003,473</b>	<b>(187,015)</b>	<b>816,458</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS (continued)

### Impairment test for goodwill (continued)

#### Guizhou College

As at 31 August 2025, the recoverable amount of RMB974,795,000 of Guizhou College based on fair value less cost of disposal is lower than the carrying value of RMB1,076,580,000 by RMB101,785,000. Among the impairment loss, the amount of RMB40,802,000 is allocated to goodwill and the amount of RMB60,983,000 is allocated to each class of other non-financial assets of Guizhou College as follows:

	Carrying amount RMB'000	Allocation of impairment RMB'000	Carrying amount after impairment RMB'000
<b>Goodwill</b>	<b>40,802</b>	<b>(40,802)</b>	<b>–</b>
<b>Property, Plant and Equipment</b>			
Buildings and building improvements	738,510	(55,626)	682,884
Office furniture	31,637	(2,376)	29,261
Electronic	31,285	(2,356)	28,929
Vehicles	140	(9)	131
Construction in progress	8,175	(616)	7,559
	<b>809,747</b>	<b>(60,983)</b>	<b>748,764</b>
Right-of-use assets	225,971	–	225,971
Intangible assets (exclude goodwill)	60	–	60
	<b>1,035,778</b>	<b>(60,983)</b>	<b>974,795</b>
	<b>1,076,580</b>	<b>(101,785)</b>	<b>974,795</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS (continued)

### Impairment test for goodwill (continued)

The recoverable amount of Chen Lin High School is determined based on value-in-use calculations. The calculation of recoverable amount of the CGU uses cash flow projections based on the financial estimates made by the Group, with reference to the prevailing market conditions, covering a period of five years and based on the following key assumptions.

	As at 31 August 2025 Chen Lin High School
Revenue annual growth rate — average of the forecast period	18.6%
Average gross profit margins	24.3%
Annual average capex expenditure (RMB'000)	1,353
Long term annual growth rate	2.0%
Pre-tax discount rate	11.0%

As at 31 August 2025, the recoverable amount of RMB116,434,000 of Chen Lin High School based on VIU calculation exceeded their carrying value of RMB110,181,000 by RMB6,253,000.

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment test and the changes taken in isolation in the VIU calculations that would remove the remaining headroom as at 31 August 2025:

	As at 31 August 2025 Chen Lin High School
Revenue annual growth rate	-1.6%
Gross profit margin (% of revenue)	-3.1%
Pre-tax discount rate	+1.9%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 17. INTANGIBLE ASSETS (continued)

### Impairment test for goodwill (continued)

#### For the year ended 31 August 2024

The Group has performed an impairment review of the carrying amount of goodwill as at 31 August 2024 and have concluded that no provision for impairment is required.

In 2024, for the purposes of impairment testing, goodwill acquired has been allocated to the lowest level of CGUs identified. In 2024, the recoverable amount of the CGU is determined based on value-in-use calculations. The calculation of recoverable amount of the CGU uses cash flow projections based on the financial estimates made by the Group, with reference to the prevailing market conditions, covering a period of five years and based on the following key assumptions.

	As at 31 August 2024		
	Jiangxi Jishi College	Guizhou College	Chen Lin High School
Revenue annual growth rate — average of the forecast period	36.53%	23.19%	25.68%
Average gross profit margins	54.77%	51.24%	27.78%
Annual average capex expenditure (RMB'000)	897	2,875	1,233
Long term annual growth rate	2.00%	2.00%	2.00%
Pre-tax discount rate	12.89%	13.28%	13.61%

As at 31 August 2024, the recoverable amount of RMB1,007,541,000, RMB1,130,379,000 and RMB150,185,000 of Jiangxi Jishi College, Guizhou College and Chen Lin High School based on VIU calculation exceeded their carrying value of RMB955,914,000, RMB1,060,335,000 and RMB131,988,000 by RMB51,627,000, RMB70,044,000 and RMB18,197,000, respectively.

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment test and the changes taken in isolation in the VIU calculations that would remove the remaining headroom as at 31 August 2024:

	As at 31 August 2024		
	Jiangxi Jishi College	Guizhou College	Chen Lin High School
Revenue annual growth rate	-1.6%	-1.1%	-3.8%
Gross profit margin (% of revenue)	-8.9%	-4.2%	-2.7%
Pre-tax discount rate	+0.9%	+1.0%	+2.1%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 18. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments for purchases of property, plant and equipment	70,371	108,030

## 19. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
At amortised cost:		
Cash and cash equivalents (note 23)	150,257	287,976
Restricted bank balances (note 23)	91	45
Trade receivables (note 20)	9,408	7,265
Loan receivables (note 21)	6,294	7,938
Other receivables excluding prepayments (note 21)	83,038	91,049
	249,088	394,273
Financial assets at FVPL (note 22)	2,062	90
	251,150	394,363
<b>Financial liabilities</b>		
At amortised cost:		
Borrowings (note 28)	2,447,013	2,418,091
Accruals and other payables excluding non-financial liabilities (note 27)	273,763	263,604
Amount due to a related party (note 36(c))	64,391	42,267
Other non-current payables (note 32)	—	233,349
Lease liabilities (note 30)	56,371	76,314
	2,841,538	3,033,625

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 20. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables		
— related to students fees	3,220	3,306
— related to other services	10,128	5,878
	13,348	9,184
Loss allowance	(3,940)	(1,919)
	9,408	7,265

### (a) Ageing analysis of the trade receivables

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school years, which normally commences in late August and September of the year. The trade receivables represent tuition and boarding fees receivable from students and from other services which are outstanding at the end of the reporting period. There is no significant concentration of credit risk.

As at 31 August 2025 and 2024, the ageing analysis of the trade receivables based on the transaction date is as follows:

	2025 RMB'000	2024 RMB'000
Up to 1 year	7,404	4,717
1 to 2 years	2,393	3,778
2 to 3 years	3,380	211
Over 3 years	171	478
	13,348	9,184



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 20. TRADE RECEIVABLES (continued)

### (b) Impairment of trade receivables

Movements of loss allowance for trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	1,919	10,865
Expected credit loss recognised (reversed) during the year	2,520	(639)
Written-off of uncollectible receivables	(499)	(8,307)
At the end of the year	3,940	1,919

### (c) Fair values of trade receivables

The carrying amounts of trade receivables approximated their fair values as at 31 August 2025 and were denominated in RMB.

### (d) Factoring of trade receivables

It represents trade receivables which are subject to a factoring arrangement on a full recourse basis with specific customers. Under this arrangement, the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the trade receivables and has recognised the cash received on the transfer as secured borrowings.

During the year ended 31 August 2025, the Group factored several trade receivables related to other services amounting to RMB6,587,000 and pledged the rights over the collection of income related to other services to a financial institution to obtain corresponding borrowings. As at 31 August 2025, the outstanding amount of RMB43,553,000 represents borrowings from financial institution arising from factoring of these trade receivables (see note 28).

These financial assets and financial liabilities are carried at amortised cost in consolidated statement of financial position.

	2025 RMB'000	2024 RMB'000
Carrying amount of transferred assets	6,587	—
Carrying amount of associated liabilities	(43,553)	—

There was no such factoring arrangement for the year ended 31 August 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 21. OTHER RECEIVABLES AND PREPAYMENTS AND LOAN RECEIVABLE

	2025 RMB'000	2024 RMB'000
Deposit for campus constructions (note a)	37,220	43,407
Other receivables (notes b and c)	57,069	59,347
Input value added tax to be deducted	1,306	21,417
Prepayments to suppliers	1,695	5,639
	97,290	129,810
Less: Loss allowance on other receivables	(4,957)	(3,767)
	92,333	126,043
Non-current	3,083	30,991
Current	89,250	95,052
	92,333	126,043

(a) The deposit for campus construction were paid to government authorities and will be refunded to the Group upon certain stage of completion of campus constructions.

(b) Other receivables mainly included amounts due from two former shareholders of two subsidiaries of the Company and loan receivables from third parties.

Amounts due from two former shareholders of two subsidiaries of the Company amounted to RMB27,045,000 (2024: RMB30,895,000). These amounts are unsecured, interest free and repayable on demand, except for the amount of RMB2,005,000 as disclosed in note (c) which is repayable in December 2026.

Loan receivables from third parties amounted to RMB8,020,000 (2024: RMB8,020,000). These amounts are unsecured, interest free and repayable on demand. The management of the Group assessed the loss allowances for these loan receivables individually. As at 31 August 2025, approximately RMB1,726,000 (2024: RMB82,000) impairment loss was made against these loan receivables.

The remaining other receivables mainly consist of petty cash advanced to staff for business activities and expenses paid on behalf of sub-contractors. These amounts are unsecured, interest free and repayable on demand.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 21. OTHER RECEIVABLES AND PREPAYMENTS AND LOAN RECEIVABLE (continued)

- (c) Former shareholder A\* of a wholly-owned subsidiary (the "Subsidiary") of the Company was sued by the Subsidiary for a claim since 2011 and such claim was treated as unrecoverable and expensed in prior years. During the year ended 31 August 2024, the court in the PRC made a final judgement relating to the Subsidiary's claim. Based on the final judgment, Former shareholder A was required to pay the Subsidiary RMB22,313,000 and this amount was recognized as a gain during the year ended 31 August 2024 (note 8). Former shareholder A settled RMB10,697,000 of the claim in February 2024. In December 2023, a tri-parties agreement was entered between Former shareholder A, Former shareholder B^ and the Subsidiary to arrange an assignment of the remaining claim of RMB11,616,000 owing by Former shareholder A to the Subsidiary to be repaid by Former shareholder B. Accordingly, Former shareholder B entered into a loan agreement with the Subsidiary for the amount of RMB11,616,000. The loan is unsecured, interest free and repayable after three years from December 2023.

During the year ended 31 August 2025, Former shareholder B repaid RMB9,611,000. The remaining outstanding balance of RMB2,005,000 is repayable in December 2026.

The management of the Group assessed the loss allowances for this loan receivable individually. As at 31 August 2025, approximately RMB119,000 (2024: RMB599,000) impairment loss was made against loan receivables on an individual assessment basis. Details of impairment assessment of loan receivables are set out in note 39.

\* Former shareholder A represents a previous shareholder of the Subsidiary who disposes his/her interest in the Subsidiary to Former shareholder B

^ Former shareholder B represents a previous shareholder of the Subsidiary

The carrying amounts of other receivables and prepayments approximated their fair values as at the balance sheet date. Other receivables, prepayments and loan receivables were denominated in RMB.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Current assets		
Financial assets at FVPL	—	—
— Equity investments, listed (note a)	140	90
— Profit-sharing investment (note b)	1,922	—
	<b>2,062</b>	90

Notes:

(a) Movements in the equity investments, listed are as follows:

	2025 RMB'000	2024 RMB'000
Securities listed on the Hong Kong Stocks Exchange		
At the beginning of the year	90	105
Net fair value gains/(losses) (note 8)	50	(14)
Foreign exchange losses	—	(1)
At the end of year	<b>140</b>	90

(b) The Group entered into a profit-sharing investment agreement to invest in the production of short video series and video cultural creative peripheral products, which entitled the Group to certain net profit arising from the short video series and video cultural creative peripheral products. Pursuant to the investment agreement, the Group is entitled to share 10% of the profit of the short video series and video cultural creative peripheral products. Such arrangement is considered by the Group as investments in short video series and video cultural creative peripheral products. At initial recognition, the Group measured the investment at the cash consideration paid under the investment agreement. The fair values as at 31 August 2025 arrived by discounting the estimated net future cash flows from the investment attributable to the Group.

During the year ended 31 August 2025, the fair value loss of the Group's profit-sharing investment was RMB1,578,000 and recognised in profit or loss (note 8).

Movements in the short video series and video cultural creative peripheral products investment, listed are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	—	—
Additions	3,500	—
Fair value losses (note 8)	(1,578)	—
At the end of year	<b>1,922</b>	—

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Notes: (continued)

(c) The financial assets at FVPL are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	1,922	–
HKD	140	90
	<b>2,062</b>	90

## 23. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

	2025 RMB'000	2024 RMB'000
Current assets		
Cash and cash equivalents (note 19)	150,257	287,976
Restricted bank balances (note 19)	91	45
	<b>150,348</b>	288,021

Cash and cash equivalents and restricted bank balances are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	149,785	287,472
HKD	549	533
USD	14	16
	<b>150,348</b>	288,021

The restricted bank balances of RMB91,000 as at 31 August 2025 represented restricted cash due to certain lawsuits (2024: RMB45,000).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 24. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value HKD	
<b>Authorised:</b>			
As at 1 September 2023, 31 August 2024 and 31 August 2025, at HKD0.0001 each	3,800,000,000	380,000	
	Number of share	Share capital RMB'000	Share premium RMB'000
<b>Issued:</b>			
As at 1 September 2023, 31 August 2024 and 31 August 2025	1,000,000,000	89	433,763

Note:

During the year ended 31 August 2025, the Company paid in aggregate HK\$9,998,500 (equivalent to RMB9,220,000) to buy back 7,220,000 ordinary shares of HKD0.0001 each from the Stock Exchange on 28 October 2024 and 13 January 2025, at the highest price of HK\$1.40 and the lowest price of HK\$1.37 per share. As at 31 August 2025, These ordinary shares had not been cancelled and were presented as treasury shares.

## 25. RESERVES

### (a) Capital reserve

Capital reserve represents the aggregate paid-in capital of the subsidiaries acquired, offset by investment costs in subsidiaries of the Company during the reorganisation.

### (b) Statutory surplus reserves

Pursuant to the relevant laws and regulations 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) statutory reserve fund of the limited liability companies;
- (ii) general reserve fund of foreign invested enterprise; and
- (iii) the development fund of the Schools.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 25. RESERVES (continued)

### (b) Statutory surplus reserves (continued)

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the companies incorporated in the PRC now comprising the Group (the “**PRC Subsidiaries**”), it is required to appropriate 10% of the annual statutory net profits of the PRC Subsidiaries, after offsetting any prior years’ losses as determined under the PRC accounting standards, to the statutory reserve fund before distributing the net profit. When the balance of the statutory reserve fund reaches 50% of the registered capital of the PRC Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserve fund can be used to offset prior years’ losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserve fund after such issue is not less than 25% of registered capital.

Pursuant to the laws applicable to China’s Foreign Investment Enterprises, the Company’s subsidiary that is a wholly foreign-owned enterprise in China has to make appropriations from its after-tax profit (as determined under PRC accounting standards) to reserve funds including (1) general reserve fund, (2) enterprise expansion fund and (3) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC accounting standards. Appropriation is not required if the reserve fund has reached 50% of the registered capital of the respective company. Appropriations to the other two reserve funds are at the respective company’s discretion.

According to the relevant PRC laws and regulations, for a private school that the sponsor does not require reasonable return, it is required to appropriate to development fund of not less than 10% of the annual increase of net assets of the relevant school as determined in accordance with PRC accounting standards. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment.

### (c) (Accumulated losses)/retained earnings

The sponsor of non-profit private schools shall not receive proceeds from the running of the school, and the cash surplus of the non-profit private schools shall be retained for the school development only. As a result of these and other restrictions under PRC laws and regulations, the Group’s schools incorporated in the PRC are restricted in their ability to transfer profit or a portion of their net assets to the Company either in the form of dividends, loans or advances. The accumulated losses of the Group as at 31 August 2025 of RMB211,664,000 (2024: Retained earnings of RMB200,766,000) included RMB288,565,000 (2024: RMB340,443,000) retained surplus of the Group’s schools in the PRC and their surplus is not distributable.

### (d) Other reserve

Other reserve represents the fair values of the subsidiaries acquired by the Company pursuant to reorganisation of group entities during the Initial Public Offering incurred in 2019.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 26. SHARE-BASED PAYMENTS

### RSUs Scheme

On 20 August 2019, the Company set up a RSUs Scheme (note 4(q)) to incentivise the eligible employees, including certain directors, senior management members and employees of the Group, in exchange for their services for the Group. Pursuant to the RSUs Scheme, on 20 August 2019, approximately 4.00% of the total issued share capital of the Company for the RSUs Scheme, and the board of directors of the Company has the discretion to select RSUs eligible persons to receive RSUs under the RSUs Scheme.

The RSUs awards vest in tranches from the grant date over a certain service period, on the condition that employees remain in service without any performance requirements. Once the vesting conditions of the respective RSUs are met, the RSUs are considered duly and validly issued to the RSU holders.

Movements in the number of RSUs granted and the respective weighted average fair value at grant date are as follows:

	2025	2024
As at 1 September	26,094,700	26,094,700
Forfeited during the year	—	—
Exercisable as at the end of year	26,094,700	26,094,700

The fair value of each RSU at the grant date is determined by reference to the fair value of the underlying ordinary shares on the date of grant.

There was no share-based payments expenses recognised in the consolidated statement of comprehensive income for the years ended 31 August 2025 and 31 August 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 27. ACCRUALS AND OTHER PAYABLES

	As at 31 August	
	2025 RMB'000	2024 RMB'000
Payables for purchases of property, plant and equipment	137,040	153,840
Employee benefit payables	32,968	35,880
Payables to suppliers on behalf of students	16,333	17,099
Payables to suppliers on behalf of staff	1,924	2,558
Letter of credit	—	2,332
Payables to students:		
— Prepayments received from students (note a)	27,971	8,784
— Government subsidies and other payables to students (note b)	30,848	27,357
Other taxes payable	5,198	5,629
Payables for purchases of services	12,584	14,214
Payables for union funds	7,758	5,305
Retention money payables for campus constructions	4,041	6,420
Security deposit from suppliers	2,897	2,550
Others (note c)	32,367	23,145
	<b>311,929</b>	<b>305,113</b>

- (a) The Group purchases books and other materials from suppliers on behalf of students. Amount represents prepayments from students for the purchases of books and other materials.
- (b) The Group receives government subsidies to distribute to students in the form of scholarships, incentives, or other types of financial assistance. Amount represents government subsidies received by the Group for distribution to students which have not yet been disbursed.
- (c) The amount mainly represents security deposit, utility payables, and other operational payable fees.

The carrying amounts of accruals and other payables approximated their fair value as at 31 August 2025 and 2024 and were denominated in RMB.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 28. BORROWINGS

	2025 RMB'000	2024 RMB'000
<b>Non-current:</b>		
Long-term bank borrowings, secured	725,189	953,290
Borrowings under finance lease arrangement	492,877	623,692
Long-term borrowings from a financial institution from factoring of trade receivables with full recourse, secured	29,253	–
	<b>1,247,319</b>	1,576,982
<b>Current:</b>		
Current portion of long-term bank borrowings, secured	456,019	166,647
Current portion of long-term bank borrowings, unsecured	–	13,000
Current portion of long-term borrowings from a financial institution, secured	–	47,007
Short-term bank borrowings, secured	236,745	135,000
Short-term bank borrowings, unsecured	–	20,000
Borrowings under finance lease arrangement	492,630	459,455
Current portion of long-term borrowings from a financial institution from factoring of trade receivables with full recourse, secured	14,300	–
	<b>1,199,694</b>	841,109
<b>Total borrowings (note 19)</b>	<b>2,447,013</b>	2,418,091

### (a) Details of securities and guarantees to the borrowings

The Group's long-term and short-term secured bank borrowings as at 31 August 2025 of RMB1,417,953,000 (31 August 2024: RMB1,254,937,000) were obtained in the PRC, secured by the pledge of the rights over the tuition fees and boarding fees of the Group's schools (note 6(f)) and shares of a subsidiary and supported by guarantees provided by subsidiaries of the Group, Mr. Huang Yulin and his family members.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 28. BORROWINGS (continued)

### (a) Details of securities and guarantees to the borrowings (continued)

The Group's borrowing under finance lease arrangement of RMB985,507,000 (31 August 2024: RMB1,083,147,000) were secured by the pledge of the Group's property, plant and equipment and supported by guarantees provided by subsidiaries of the Group, Mr. Huang Yulin and his family members.

The Group's secured borrowings from a financial institution from factoring of trade receivables with full recourse of RMB43,553,000 as at 31 August 2025 arose from the factoring of the trade receivables related to other services of RMB6,587,000 and pledged of the rights over collection of income related to other services of the Group's schools. These borrowings were also supported by guarantees provided by subsidiaries of the Group, Mr. Huang Yulin and his family members. The Directors considered that significant risks and rewards from these trade receivables are substantially retained by the Group.

The Group's long-term and short-term unsecured bank borrowings as at 31 August 2024 of RMB33,000,000 were obtained in the PRC and supported by guarantees provided by Mr. Huang Yulin and his family members.

The Group's long-term borrowings from a financial institution as at 31 August 2024 of RMB47,007,000 were obtained in the PRC, secured by the pledge of the rights over the tuition fees and boarding fees of the Group's schools, and supported by guarantees provided by subsidiaries of the Group, Mr. Huang Yulin and his family members.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 28. BORROWINGS (continued)

### (b) Repayment periods, interest and denomination currency

The Group's borrowings as at 31 August 2025 are repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	1,199,694	841,109
Between 1 and 2 years	439,156	799,352
Between 2 and 5 years	695,068	642,140
Over 5 years	113,095	135,490
Total	2,447,013	2,418,091

The borrowings from banks of the Group are mainly variable rate borrowings which carry interest at LPR plus a spread, ranging from 2.48% to 5.85% (31 August 2024: 4.05% to 5.70%).

The Group's borrowing under finance lease arrangement and the borrowings from a financial institution carry interest fixed rate ranging from 4.95% to 9.50% (2024: 6.56% to 11.43%).

The Group's borrowings from a financial institution arose from the factoring of the trade receivables related to other services carry interest fixed rate ranging from 5.75% to 5.77% (2024: nil).

The Group's borrowings are denominated in the following currency as:

	2025 RMB'000	2024 RMB'000
RMB	2,447,013	2,418,091

The carrying amounts for majority of the borrowings approximated their fair values as at 31 August 2025 and 2024 as they were carried at floating interest rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 29. DEFERRED REVENUE

	2025 RMB'000	2024 RMB'000
<b>Government grants</b>		
Non-current	376,416	108,822
Current	13,648	7,744
Total	390,064	116,566

The government grants were received from the local government as subsidies to the Group's purchase of land use right and property, plant and equipment. They are amortised to the profit or loss on a straight-line basis over the expected useful lives of the related assets.

The movements of the above deferred revenue during the year are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 September	116,566	84,342
Additions	6,182	38,528
Restoration of deferred revenue from other non-current payables (Note 32)	279,120	—
Released to other income	(11,804)	(6,304)
As at the end of year	390,064	116,566

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 30. LEASE LIABILITIES

	2025			2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Buildings	4,962	48,850	53,812	1,775	71,167	72,942
Equipment	1,192	1,056	2,248	1,124	2,248	3,372
Vehicle	–	311	311	–	–	–
Total	6,154	50,217	56,371	2,899	73,415	76,314

The Group leases buildings and equipment for its operations and these liabilities were measured at the net present value of the lease payments during the lease terms that are not yet paid.

	Vehicle RMB'000	Land use rights RMB'000	Lease of buildings RMB'000	Lease of equipment RMB'000	Total RMB'000
At 1 September 2023	–	16,551	70,465	4,828	91,844
Additions	–	–	–	–	–
Interest expense	–	–	4,447	245	4,692
Lease payments	–	(16,551)	(1,970)	(1,701)	(20,222)
At 31 August 2024	–	–	72,942	3,372	76,314
Interest expense	14	–	3,299	181	3,494
Lease payments	–	–	(1,969)	(1,305)	(3,274)
Effect of modification of lease term	297	–	(20,460)	–	(20,163)
At 31 August 2025	311	–	53,812	2,248	56,371

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 31. DEFERRED INCOME TAX ASSETS

The analysis of deferred income tax assets is as follows:

	2025 RMB'000	2024 RMB'000
Deferred income tax assets:		
— to be recovered within 12 months	2,052	1,242

The gross movements in the deferred income tax account are as follows:

	Temporary different in respect of allowance for doubtful debts RMB'000
<b>Deferred income tax assets</b>	
As at 31 August 2023	1,834
Charged to the profit or loss (note 12)	(592)
As at 31 August 2024	1,242
Credited to the profit or loss (note 12)	810
As at 31 August 2025	2,052



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 32. OTHER NON-CURRENT PAYABLES

	2025 RMB'000	2024 RMB'000
At the beginning of the year	233,349	261,464
Reduction due to fulfilment of ongoing conditions and requirement imposed by government	(3,478)	(6,957)
Imputed interest expenses (note 11)	6,699	14,337
Gain on modification on financial liabilities (note 7)	—	(35,495)
Derecognition of other non-current payables	(236,570)	—
At the end of the year	—	233,349

Note:

The Group's non-current other payables to government authority, a financial liability, were related to government grants received by Guizhou College and its sponsor company, both are subsidiaries of the Group, for the construction of the school campus of the predecessor school of Guizhou College in past years. The government grants were assessed to be with ongoing conditions and requirements that have not been fully fulfilled by Guizhou College and its sponsor, and accordingly the grants were recognised as payables to local government authority. The management of the Group re-assessed the payable every financial year based on the available information including, inter alia, the fact that Guizhou College had submitted the application for conversion from not-for-profit school to for-profit school in October 2022. The Conversion will involve a financial clearing process to identify and assess the values of the assets and liabilities of the Guizhou College, including the determination of the nature of investment of government fundings and the amount to be repaid to government upon completion of the Conversion (if any).

During the year ended 31 August 2024, the management of the Group also re-assessed the payables to the local government authority based on latest available information obtained from discussion between the management and the local government authority including the updated approximate time for the completion of the Conversion. As the local government authority has to take more time to complete the application process, the time for the completion of the Conversion has taken longer than its previous expectation and the Group is set to provide services to fulfil ongoing conditions and repayment imposed by the government for a longer period than its previous expectation. Therefore, the estimated approximate time for the completion of the Conversion was extended from 31 December 2024 to 31 December 2027, and the repayment amount was reduced from RMB280,280,000 to RMB259,409,000. These changes resulted in a RMB35,495,000 gain on remeasurement of payable to government authority in respect of government grant received. The Group presented the gain as a gain of RMB21,158,000 after netting it with the imputed interest expense of RMB14,337,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 32. OTHER NON-CURRENT PAYABLES (continued)

On 16 February 2025, Guizhou College formally withdrew its application for Conversion. Based on a legal opinion provided by the Group's PRC external legal counsel together with the acknowledgement from the local government authority, upon the withdrawal of the Conversion application, the school will no longer be subject to the financial clearing process associated with the Conversion. In addition, Guizhou College remains eligible to the government grant, if Guizhou College comply with the ongoing conditions attached to it.

The management considered that upon the withdrawal of the application, the obligation related to other non-current payables have been extinguished and there is reasonable assurance that Guizhou College will comply with the ongoing conditions and remains eligible for the government grants. Accordingly, other non-current payables of RMB236,570,000 are derecognized and the related government grant amounting to RMB279,120,000, representing the unamortised portion of the government grant as at 28 February 2025, were recognized upon withdrawal of the application on 16 February 2025.

The difference between derecognition of "Non-current payable to government authority" (i.e. RMB236,570,000) and restoration of "Deferred revenue" amounting to RMB42,550,000 was recognised in profit or loss (note 8).

## 33. DIVIDENDS

At a meeting of the Board held on 28 November 2025, the Board resolved not to propose a final dividend in respect of the year ended 31 August 2025. No dividends have been paid or declared by the Group for the years ended 31 August 2024 and 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 34. CASH FLOW INFORMATION

### (a) Cash generated from operations

	2025 RMB'000	2024 RMB'000
(Loss)/profit before income tax	(412,822)	16,404
Adjustments for		
— Depreciation of property, plant and equipment (note 15)	123,190	98,437
— Depreciation of right-of-use assets (note 16)	18,812	20,525
— Amortisation of intangible assets (note 17)	2,008	1,402
— Finance costs, net (note 11)	114,938	112,373
— Net impairment losses on financial assets (note 9)	3,211	680
— Impairment losses of goodwill (note 17)	193,287	—
— Impairment losses on property, plant and equipment (note 15)	95,513	—
— Net fair value losses on financial assets at fair value through profit or loss (note 22)	1,528	14
— Net exchange differences	22	91
— Gain on recovery of lawsuit claims (note 8)	—	(22,313)
— Gain on modification on financial liabilities (note 32)	—	(35,495)
— Restoration of deferred revenue from other non-current payables (note 8)	42,550	—
— Amortisation of deferred revenue (note 7)	(15,282)	(13,261)
— Write-back of other payable (note 8)	(215)	(8,058)
— Lease modification (note 8)	(1,739)	—
— Loss on disposal of property, plant and equipment (note 8)	444	748
Changes in working capital:		
— Trade and other receivables and prepayments	19,697	(15,131)
— Accruals and other payables	23,828	37,605
— Contract liabilities	(67,970)	(80,096)
Net cash generated from operating activities	141,000	113,925

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 34. CASH FLOW INFORMATION (continued)

### (b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents (note 23)	150,257	287,976
Equity investments, listed (note 22)	140	90
Borrowings (note 28)	(2,447,013)	(2,418,091)
Amount due to a related party — loan nature (note 36)	(64,391)	(42,267)
Lease liabilities (note 30)	(56,371)	(76,314)
Net debt	(2,417,378)	(2,248,606)

	Borrowing RMB'000	Loans from a related party RMB'000	Leases RMB'000	Sub-total RMB'000	Cash and cash equivalents RMB'000	Equity investments, listed RMB'000	Total RMB'000
<b>Net debt as at 31 August 2023</b>	(2,051,970)	(27,463)	(91,844)	(2,171,277)	374,618	105	(1,796,554)
Cash flows	(223,145)	(11,858)	20,222	(214,781)	(86,642)	—	(301,423)
Other changes							
Interest expenses (Note 11)	(142,976)	(2,946)	(4,692)	(150,614)	—	—	(150,614)
Net fair value loss (note 8)	—	—	—	—	—	(14)	(14)
Exchange realignment	—	—	—	—	—	(1)	(1)
<b>Net debt as at 31 August 2024</b>	(2,418,091)	(42,267)	(76,314)	(2,536,672)	287,976	90	(2,248,606)
Cash flows	117,043	(19,627)	3,274	100,690	(137,719)	—	(37,029)
Other changes							
Interest expenses (Note 11)	(145,965)	(2,497)	(3,494)	(151,956)	—	—	(151,956)
Net fair value loss (note 8)	—	—	—	—	—	50	50
Effect of lease modification	—	—	20,163	20,163	—	—	20,163
Exchange realignment	—	—	—	—	—	—	—
<b>Net debt as at 31 August 2025</b>	(2,447,013)	(64,391)	(56,371)	(2,567,775)	150,257	140	(2,417,378)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 35. COMMITMENTS

### Capital expenditure commitments

Significant capital expenditure commitments are set out below:

	2025 RMB'000	2024 RMB'000
Contracted but not recognised as liabilities		
— Commitments for acquisition of property, plant and equipment, and construction of buildings	67,042	182,547

## 36. RELATED PARTY TRANSACTIONS

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

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

### (a) Related parties of the Group

Name of related parties	Relationship
Mr. Huang Yulin	The controlling shareholder, chairman and executive director

The Group also had transactions with the family members of the Controlling Shareholder.

Save as disclosed elsewhere in these financial statements, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the years ended 31 August 2025 and 2024, and the balances arising from related party transactions as at the respective balance sheet dates.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 36. RELATED PARTY TRANSACTIONS (continued)

### (b) Transactions with related parties

	2025 RMB'000	2024 RMB'000
(i) Loans from a related party — Mr. Huang Yulin	22,124	14,804
(ii) Guarantees provided by related parties to the Group's borrowings: — Mr. Huang Yulin and his family members	1,521,570	1,257,311
	<b>1,543,694</b>	<b>1,272,115</b>

### (c) Balances with related parties

	As at 31 August 2025 RMB'000	2024 RMB'000
Amount due to a related party — Mr. Huang Yulin (non-trade)	64,391	42,267

The amount due to a related party is unsecured, interest bearing at 4.8% per annum (2024: 4.8%) and payable on demand.

### (d) Key management compensation

Key management includes directors (executive and non-executive), executive officers, and the Company's secretary. The compensation paid or payable to key management for employee services is as follows:

	As at 31 August 2025 RMB'000	2024 RMB'000
Salaries and wages	9,743	10,536
Discretionary bonuses	—	—
Share-based payments	—	—
Contributions to pension plan	200	243
Housing fund, medical insurance and other social benefits	275	289
	<b>10,218</b>	<b>11,068</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 37. BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY

### (a) Balance sheet of the Company

		As at 31 August	
	Note	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries		460,412	842,382
<b>Current assets</b>			
Other receivables and prepayments		151	153
Amount due from a subsidiary		169,000	337,589
Cash and cash equivalents		416	416
		169,567	338,158
<b>Total Assets</b>		629,979	1,180,540
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables		322	322
Amounts due to subsidiaries		8,918	8,918
<b>Total Liabilities</b>		9,240	9,240
<b>EQUITY</b>			
Share capital		89	89
Share premium		433,763	433,763
Other reserve	25(d)	789,000	789,000
Shares-based payments reserve		53,382	53,382
Statutory surplus reserves		2	2
Accumulated losses		(655,497)	(104,936)
<b>Total Equity</b>		620,739	1,171,300
<b>Total Equity and Liabilities</b>		629,979	1,180,540

The balance sheet of the Company was approved by the Board of Directors on 28 November 2025 and was signed on its behalf.

**Mr. Huang Yulin**  
Chairman

**Ms. She Hui**  
Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 37. BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY (continued)

### (b) Reserve movements of the Company

	Other reserve (note 25(d)) RMB'000	Share premium RMB'000	Share-based payment reserve RMB'000	Statutory surplus reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>At 31 August 2023</b>	789,000	433,763	53,382	2	(61,561)	1,214,586
At 1 September 2023	789,000	433,763	53,382	2	(61,561)	1,214,586
Loss for the year	–	–	–	–	(43,375)	(43,375)
<b>At 31 August 2024</b>	789,000	433,763	53,382	2	(104,936)	1,171,211
At 1 September 2024	<b>789,000</b>	<b>433,763</b>	<b>53,382</b>	<b>2</b>	<b>(104,936)</b>	<b>1,171,211</b>
Loss for the year	–	–	–	–	<b>(550,561)</b>	<b>(550,561)</b>
<b>At 31 August 2025</b>	<b>789,000</b>	<b>433,763</b>	<b>53,382</b>	<b>2</b>	<b>(655,497)</b>	<b>620,650</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 38. BENEFITS AND INTERESTS OF DIRECTORS

### (a) Benefits and interests of directors

The remuneration of each director of the Company paid/payable by the Group for the years ended 31 August 2025 and 2024 are set out as follows:

Name of directors	Director fee RMB'000	Basic salaries RMB'000	Share-based payment expenses RMB'000	Welfare, medical and other expenses RMB'000	Contribution to pension plan RMB'000	Total RMB'000
<b>For the year ended 31 August 2025</b>						
<b>Chairman</b>						
Mr. Huang Yulin (i)	2,205	2,882	-	-	-	5,087
<b>Executive directors</b>						
Ms. Gan Tian	-	709	-	64	37	810
Mr. Wang Li	-	536	-	48	37	621
Mr. Liu Chunbin	-	152	-	22	17	191
Ms. She Hui (iii)	-	1,038	-	-	-	1,038
<b>Independent non-executive directors</b>						
Mr. Chen Wanlong	32	-	-	-	-	32
Mr. Wang Donglin	105	-	-	-	-	105
Mr. Huang Juyun	48	-	-	-	-	48
Mr. Sy Lai Yin, Sunny	103	-	-	-	-	103
Mr. Qin Huimin	65	-	-	-	-	65
	2,558	5,317	-	134	91	8,100

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 38. BENEFITS AND INTERESTS OF DIRECTORS (continued)

### (a) Benefits and interests of directors (continued)

Name of directors	Director fee RMB'000	Basic salaries RMB'000	Share-based payment expenses RMB'000	Welfare, medical and other expenses RMB'000	Contribution to pension plan RMB'000	Total RMB'000
<b>For the year ended 31 August 2024</b>						
<b>Chairman</b>						
Mr. Huang Yulin (i)	2,188	2,882	–	–	–	5,070
<b>Executive directors</b>						
Ms. Gan Tian	–	696	–	59	38	793
Mr. Wang Li	–	535	–	48	38	621
Mr. Liu Chunbin	–	456	–	44	37	537
Mr. Yang Ruichen (ii)	–	557	–	16	–	573
<b>Non-executive director</b>						
Mr. Li Cunyi (iv)	–	–	–	–	–	–
<b>Independent non-executive directors</b>						
Mr. Chen Wanlong	191	–	–	–	–	191
Mr. Wang Donglin	124	–	–	–	–	124
Mr. Huang Juyun	191	–	–	–	–	191
Mr. Sy Lai Yin, Sunny	120	–	–	–	–	120
	2,814	5,126	–	167	113	8,220

(i) Mr. Huang Yulin was appointed as the chief executive officer of Group with effect from 30 October 2020 and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

(ii) Mr. Yang Ruichen resigned as the executive director of the Company with effect from 29 February 2024.

(iii) Ms. She Hui was appointed as the executive director of Company with effect from 1 January 2025.

(iv) Mr. Li Cunyi resigned as the non-executive director of the Company with effect from 31 January 2024.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 38. BENEFITS AND INTERESTS OF DIRECTORS (continued)

### (b) Other disclosures

Other than those disclosed above and those disclosed in notes 26, 28 and 36(b):

- there were no retirement benefits paid to or receivable by any director in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries during the year ended 31 August 2025 (2024: nil).
- there were no termination benefits paid to or receivable by any director during the year ended 31 August 2025 (2024: nil).
- no payment was made to the directors for making available the services of them as a director of the Company during the year ended 31 August 2025 (2024: nil).
- there were no loans, quasi-loans and other dealings entered into between the Group and the directors and in favour of the directors during the year ended 31 August 2025 (2024: nil).
- there are no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (i) Market risk

##### *Foreign exchange risk*

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from Hong Kong dollars ("HKD"). The Group does not hedge against any fluctuation in foreign currency.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from HKD denominated cash and cash equivalents, financial assets at fair value through profit or loss and other receivables and prepayments.

	2025 RMB'000	2024 RMB'000
HKD/RMB Exchange rate — Increase 5%	27	31
HKD/RMB Exchange rate — Decrease 5%	(27)	(31)

##### *Interest rate risk*

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. During the year ended 31 August 2025, the Group's borrowings bore interest both at variable rates and fixed rates. The Group does not hedge its cash flow.

As at 31 August 2025 and 2024, if interest rate on borrowings had been higher/lower by 50 basis points of current interest rate, with other variables held constant, (loss)/profit for the year ended 31 August 2025 and 2024 would have been approximately RMB6,339,000 higher/lower and approximately RMB5,340,000 lower/higher, respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (a) Financial risk factors (continued)

#### (ii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The credit risk of the Group's financial assets, which mainly comprise cash and cash equivalents, trade receivables, other receivables and loan receivables, arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

All of the Group's trade receivables, other receivables and loan receivables have no collateral. The Group assessed the credit quality of the counterparties by taking into account their financial position, credit history, forward looking information and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any.

##### (i) Cash and cash equivalents

As at 31 August 2025 and 31 August 2024, substantially all of the Group's bank deposits were deposited with major financial institutions incorporated in the PRC and Hong Kong, which management believes are of high-credit-quality without significant credit risk.

##### (ii) Trade receivables

The Group applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group trade receivables mainly represent the trade receivables from students for tuition and boarding fee, and from third parties for other services.

For the trade receivables from third parties, the counterparties are primarily large corporations that have strong financial position. The Group maintains frequent communications with the counterparties. Management has closely monitored the credit qualities and the collectability of these receivables. Follow up action is taken in case of overdue balances. Management reviews regularly the recoverable amount of each trade receivable from third parties to ensure that adequate impairment losses are made for irrecoverable amounts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (a) Financial risk factors (continued)

#### (ii) Credit risk (continued)

##### (i) Trade receivables (continued)

For the trade receivables from students, the loss allowance was determined as follows:

Reporting period	Less than 1 year	1 year to 2 year	2 year to 3 year	More than 3 year
31 August 2025	9.9%	31.7%	67.4%	98.6%
31 August 2024	6.5%	26.6%	65.9%	97.9%

The management writes off trade receivables when there are no reasonable expectations of recovering the trade receivable from students.

The change in the loss allowance for trade receivables during the year ended 31 August 2025 was mainly due to the increase in lifetime expected credit loss. Management considered a less favorable macroeconomic environment may cause higher probability of default from these trade receivables.

##### (iii) Other receivables

Other receivables at the end of year were mainly deposit for campus constructions, amounts due from a former shareholder of a subsidiary of the Company and loan receivables from third parties and a former shareholder. The Directors consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (a) Financial risk factors (continued)

#### (ii) Credit risk (continued)

##### (iii) Other receivables (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayment demanded.

A default on a financial asset is when the counterparty fails to make contractual payments/repayment demanded within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments/repayment demanded greater than 365 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for forward looking macroeconomic data.

The movement of loss allowances for other receivables during the year are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	3,767	2,864
Expected credit loss recognised during the year	1,190	903
At the end of the year	4,957	3,767



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (a) Financial risk factors (continued)

#### (iii) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions. Management believes that there is no significant liquidity risk in view of the expected cash flows from operations and continuous support from banks in the coming twelve months.

The tables below analyse the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of year to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

2025	Weighted average effective interest rate	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Borrowings	6.26%	2,447,013	2,633,708	1,257,884	498,367	752,326	125,131
Amount due to a related party	4.8%	64,391	64,391	64,391	-	-	-
Other non-current payable (Note 32)	N/A	-	-	-	-	-	-
Lease Liabilities	6.38%	56,371	76,070	9,606	7,705	23,359	35,400
Accruals and other payables (excluding non-financial liabilities)	N/A	273,763	273,763	273,763	-	-	-
		2,841,538	3,047,932	1,605,644	506,072	775,685	160,531

2024	Weighted average effective interest rate	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Borrowings	6.36%	2,418,091	2,467,380	859,327	827,492	645,071	135,490
Amount due to a related party	4.8%	42,267	42,267	42,267	-	-	-
Other non-current payable (Note 32)	-	233,349	259,409	-	-	259,409	-
Lease Liabilities	6.38%	76,314	108,989	3,274	12,606	32,309	60,800
Accruals and other payables (excluding non-financial liabilities)	N/A	263,604	263,604	263,604	-	-	-
		3,033,625	3,141,649	1,168,472	840,098	936,789	196,290

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (b) Capital management

The Group's objectives when managing capital are to

- safeguard the Group's ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

	2025 RMB'000	2024 RMB'000
Net debt	2,417,378	2,248,606
Total Equity	439,500	860,732
Net debt to equity ratio	550%	261%

The significant increase in net debt to equity ratio is resulted from the significant increase in the loss incurred during the year ended 31 August 2025.

### (c) Fair value estimation

#### (i) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets measured and recognised at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
31 August 2025				
Assets				
Financial assets at FVPL				
— Equity investments, listed	140	—	—	140
— Profit-sharing investment	—	—	1,922	1,922
31 August 2024				
Assets				
Financial assets at FVPL				
— Equity investments, listed	90	—	—	90

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (c) Fair value estimation (continued)

#### (i) Fair value hierarchy (continued)

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

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

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

#### (ii) Valuation techniques and inputs used to determine fair values

Specific valuation techniques and inputs used to value financial instruments include:

Financial assets	Fair value hierarchy	Valuation techniques	Significant unobservable input(s)	Range
Equity investments, listed	Level 1	Quoted bid prices in an active market	N/A	N/A
Profit-sharing investment	Level 3	Market comparable approach	Estimated click through rate (CTR) of short video series	43 million views

Should the estimated CTR of short video series increase or decrease by 10%, the fair value of the profit-sharing investment would be increased or decreased by RMB158,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

## 39. FINANCIAL RISK MANAGEMENT (continued)

### (c) Fair value estimation (continued)

#### (iii) Reconciliation of assets measured at fair value based on level 3

The following table presents the changes in level 3 items for the year:

	2025 RMB'000
At the beginning of the year	–
Additions	3,500
Changes in fair values	(1,578)
At the end of the year	1,922

There was no transfer into or out of level 3 of the fair value hierarchy during the year ended 31 August 2025.

## 40. COMPARATIVE FIGURES

The Group has revisited the presentation of the consolidated statement of profit or loss and other comprehensive income during the current year. Comparative figure of imputed interest expenses and gain on modification on other non-current payables included in the “Gain/(loss) on remeasurement of payables to government authority in respect of government grants received”, previously presented in net in other income was reclassified to finance cost and other gains/(losses) respectively, to conform with the current year presentation.

# FINANCIAL SUMMARY

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE LAST FIVE FINANCIAL YEARS

	For the year ended 31 August				For the eight months ended 31 August
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	600,702	599,452	563,330	514,956	218,082
Cost of revenue	(434,180)	(411,093)	(334,861)	(332,153)	(134,364)
Gross profit	166,522	188,359	228,469	182,803	83,718
(Loss)/profit and total comprehensive income for the year attributable to: owners of the Company	(412,012)	15,367	33,673	(37,985)	(18,720)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE LAST FIVE FINANCIAL YEARS

	As at 31 August				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets					
Non-current assets	3,808,970	4,080,747	3,639,164	3,003,890	2,280,585
Current assets	251,068	390,428	487,024	371,568	474,352
Total assets	4,060,038	4,471,175	4,126,188	3,375,458	2,754,937
Equity and liabilities					
Total equity	439,500	860,732	845,365	811,079	845,133
Non-current liabilities	1,674,485	1,993,501	1,870,587	1,390,760	1,360,761
Current liabilities	1,946,053	1,616,942	1,410,236	1,173,619	549,043
Total liabilities	3,620,538	3,610,443	3,280,823	2,564,379	1,909,804
Total equity and liabilities	4,060,038	4,471,175	4,126,188	3,375,458	2,754,937

Note: On 11 June 2021, the Board announced the change of the financial year end date of the Group from 31 December to 31 August (the "Change"). The Change is to align the financial year end date of the Group with the academic year of the schools operated by the Group in the PRC, which ends in August each year. The Board considers that the Change will follow more closely with the business cycle in which the Group operates, and better reflect the operational results of the Group for the financial year.