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CHINA CHUNLAI EDUCATION GROUP CO., LTD.

中國春來教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1969)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Chunlai Education Group Co., Ltd. (the “**Company**”, together with its subsidiaries and its consolidated affiliated entities, the “**Group**”) is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 28 February 2025 (the “**Reporting Period**”). These unaudited consolidated interim results of the Group have been reviewed by the Company’s auditors and audit committee of the Board (the “**Audit Committee**”) together with the management of the Company.

	Six months ended		
	28 February 2025	29 February 2024	Change (%)
	(RMB in thousands, except percentages)		
Revenue	890,720	813,910	9.4%
Gross Profit	499,777	493,706	1.2%
Profit before taxation	413,011	388,111	6.4%
Profit for the period	406,563	384,271	5.8%
Non-IFRS Measure:			
Adjusted Net Profit ¹	402,557	386,047	4.3%

Note:

- (1) Adjusted net profit is calculated as profit for the period excluding (i) share-based compensation, and (ii) foreign exchange (gain)/loss. For details of the reconciliation of the profit for the period to the adjusted net profit of the Group, please refer to the section headed “Financial Review” in this announcement.

Non-IFRS Measure

To supplement the Group's unaudited consolidated financial statements which are presented in accordance with the International Financial Reporting Standards ("**IFRS**"), the Company also uses adjusted net profit as an additional financial measure. The Company presents this non-IFRS measure because it is used by the management of the Company to evaluate the Group's financial performance by eliminating the impact of items that the Company does not consider indicative of the performance of the Group's business. The Company also believes that this non-IFRS measure provides additional information to investors and others in understanding and evaluating the Group's unaudited consolidated results of operations in the same manner as they help the management of the Group in comparing financial results across accounting periods and to those of peer companies. However, the Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

		Six months ended	
		28 February 2025	29 February 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	890,720	813,910
Cost of revenue		<u>(390,943)</u>	<u>(320,204)</u>
Gross profit		499,777	493,706
Other income		67,427	62,120
Other gains and losses, net		5,754	(577)
Selling expenses		(2,685)	(2,254)
Administrative expenses		<u>(121,129)</u>	<u>(117,590)</u>
Profit from operations		449,144	435,405
Finance costs	5	<u>(36,133)</u>	<u>(47,294)</u>
Profit before tax		413,011	388,111
Income tax expenses	6	<u>(6,448)</u>	<u>(3,840)</u>
Total comprehensive income for the period	7	<u>406,563</u>	<u>384,271</u>
Earnings per share	8		
Basic (RMB cents per share)		<u>34</u>	<u>32</u>
Diluted (RMB cents per share)		<u>33</u>	<u>31</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2025

	Notes	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	3,188,579	3,161,911
Intangible asset		188,000	188,000
Right-of-use assets		752,389	760,590
Prepayment for cooperation agreements		800,111	800,111
Other non-current assets	11	369,640	337,776
		<u>5,298,719</u>	<u>5,248,388</u>
Current assets			
Trade and other receivables	12	1,395,979	1,214,535
Amount due from a shareholder		7	7
Cash and cash equivalents	13	435,311	790,900
		<u>1,831,297</u>	<u>2,005,442</u>
Current liabilities			
Accruals and other payables	14	374,156	395,688
Deferred revenue		1,254	1,541
Contract liabilities		866,048	693,444
Borrowings		1,062,043	1,728,005
Current tax liabilities		37,220	30,772
		<u>2,340,721</u>	<u>2,849,450</u>
Net current liabilities		<u>(509,424)</u>	<u>(844,008)</u>
Total assets less current liabilities		<u>4,789,295</u>	<u>4,404,380</u>
Non-current liabilities			
Deferred revenue		1,018	292
Borrowings		607,045	520,185
		<u>608,063</u>	<u>520,477</u>
NET ASSETS		<u><u>4,181,232</u></u>	<u><u>3,883,903</u></u>
Capital and reserves			
Share capital	15	10	10
Reserves		4,181,222	3,883,893
TOTAL EQUITY		<u><u>4,181,232</u></u>	<u><u>3,883,903</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands (2023 Revision, as consolidated and revised) on 15 November 2017. The address of registered office of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The address of principal place of business of the Company is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong. Its ultimate holding company is Chunlai Investment Co., Limited, which was incorporated in the British Virgin Islands, and its ultimate controlling shareholder is Mr. Hou Junyu (**"Mr. Hou"**). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) on 13 September 2018 (the **"Listing"**).

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher education institutions in the People's Republic of China (the **"PRC"**). The Company and its subsidiaries and its consolidated affiliated entities are collectively referred to as the **"Group"**.

The condensed consolidated financial statements are presented in Renminbi (**"RMB"**), which is the same as the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 28 February 2025 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (**"IASB"**) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 August 2024.

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 September 2024. IFRS Accounting Standards comprise International Financial Reporting Standards (**"IFRS"**), International Accounting Standards (**"IAS"**) and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial statements and amounts reported for the current period and prior periods.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

The Group is mainly engaged in the operation of private higher education institutions in the PRC. Revenue represents tuition and boarding fees from education institutions less sales related tax.

Information reported to the Group's chief operating decision maker, Mr. Hou, for the purpose of resource allocation and assessment of segment performance is on a school by school basis. Each individual school constitutes an operating segment. The services provided and type of customers are similar in each operating segment, and each operating segment are subject to similar regulatory environment. Accordingly, their segment information is aggregated as a single reportable segment which is the same as the consolidated statement of profit or loss and other comprehensive income.

	Six months ended	
	28 February 2025	29 February 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Tuition fees	813,806	741,344
Boarding fees	76,914	72,566
Total revenue	890,720	813,910

All revenue is recognised over time. The Group primarily operates in the PRC. All of the Group's revenue was generated in the PRC and all of the Group's non-current assets are located in the PRC.

No single customer contributes 10% or more of total revenue of the Group during the six months ended 28 February 2025 (six months ended 29 February 2024: Nil).

Revenue is recognised over the relevant period of schooling semesters, i.e. over the period of time when the students simultaneously receive and consume the benefits provided by the Group.

Tuition and boarding fees are generally received in advance prior to the beginning of each school year, and are initially recorded as contract liabilities. The fees are recognised proportionately over the relevant period of the applicable programme. The portion of the fees received from students but not earned is recorded as contract liabilities under current liabilities as such amounts represent revenue that the Group expects to earn within one year.

5. FINANCE COSTS

	Six months ended	
	28 February 2025	29 February 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest expense in relation to:		
– Bank borrowings	25,845	24,092
– Borrowings from non-banking institutes	10,684	24,613
	36,529	48,705
Less: capitalised in construction in progress	(396)	(1,411)
	36,133	47,294

6. INCOME TAX EXPENSES

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Current tax – PRC Enterprise Income Tax (“EIT”)	6,448	3,840

The Company was incorporated in the Cayman Islands while China Chunlai Education (BVI) Limited was incorporated in the British Virgin Islands, both jurisdictions are tax exempted.

No provision for Hong Kong profits tax was provided as the Group did not have assessable profits arising in Hong Kong during the six months ended 28 February 2025 and 29 February 2024.

EIT is provided on taxable profits of entities established in the PRC. Pursuant to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”), the EIT rate of the PRC subsidiaries was 25% during the six months ended 28 February 2025 and 29 February 2024.

Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University, Anyang University Yuanyang Campus, Hubei Jiankang Vocational College and Jingzhou College enjoyed tax exemption for tuition related income during the six months ended 28 February 2025 and 29 February 2024.

7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

This is stated at after charging/(crediting) the following:

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	127,342	115,407
Depreciation of right-of-use assets	8,590	8,386
Foreign exchange (gain)/loss	(5,652)	577
Staff costs (including directors' remuneration):		
– Salaries, bonuses and allowances	192,616	146,756
– Retirement benefit scheme contributions	34,489	23,499
– Equity-settled share-based payments	1,646	1,199
	228,751	171,454

8. EARNINGS PER SHARE

	Six months ended	
	28 February 2025 (Unaudited)	29 February 2024 (Unaudited)
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share (Profit attributable to owners of the Company) (in RMB'000)	<u>406,563</u>	<u>384,271</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Effect of dilutive potential ordinary shares:		
Pre-IPO share options	<u>31,622,473</u>	<u>30,809,727</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,231,622,473</u>	<u>1,230,809,727</u>

9. DIVIDENDS

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Proposed interim dividend of RMBNil (equivalent to approximately HK\$Nil) (2024: RMB0.0907) per ordinary share (note i and ii)	<u>–</u>	<u>108,840</u>
Final dividend for the year ended 31 August 2024 approved and paid/payable – RMB0.0924 (equivalent to approximately HK\$0.1) (2023: RMB0.053) per ordinary share (note iii and iv)	<u>110,880</u>	<u>63,985</u>

Notes:

- (i) The Board does not recommend the payment of an interim dividend for the six months ended 28 February 2025.
- (ii) The interim dividend in respect of the six months ended 29 February 2024 of RMB0.0907 per ordinary share (equivalent to approximately HK\$0.1 per ordinary share) totaling approximately RMB108,840,000 (equivalent to approximately HK\$120,000,000) was declared and which approximately RMB107,527,000 (equivalent to approximately HK\$118,556,000) was paid during the year ended 31 August 2024, with approximately RMB1,000 (equivalent to approximately HK\$1,000) was paid, and with approximately RMB1,342,000 (equivalent to approximately HK\$1,443,000) remained payable during the six months ended 28 February 2025.
- (iii) The final dividend in respect of the year ended 31 August 2023 of RMB0.053 per share (equivalent to approximately HK\$0.058 per share) totaling approximately RMB63,985,000 (equivalent to approximately HK\$69,600,000) was approved at the annual general meeting on 19 January 2024, which approximately RMB63,224,000 (equivalent to approximately HK\$68,763,000) was paid during the year ended 31 August 2024, with approximately RMB793,000 (equivalent to approximately HK\$837,000) remained payable as at 28 February 2025.

- (iv) The final dividend in respect of the year ended 31 August 2024 of RMB0.0924 per share (equivalent to approximately HK\$0.1 per share) totaling approximately RMB110,880,000 (equivalent to approximately HK\$120,000,000) was approved at the annual general meeting on 10 January 2025, which approximately RMB112,067,000 (equivalent to approximately HK\$119,998,000) was paid during the six months ended 28 February 2025, with approximately RMB2,000 (equivalent to approximately HK\$2,000) remained payable as at 28 February 2025.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 28 February 2025, the Group acquired property, plant and equipment of approximately RMB152,736,000 (six months ended 29 February 2024: RMB241,193,000) for the purpose of construction and improvement of campus infrastructure. As at 28 February 2025, the formal title certificates for certain buildings of the Group with carrying value of approximately RMB1,505,952,000 (as at 31 August 2024: RMB1,398,507,000) had not been obtained.

11. OTHER NON-CURRENT ASSETS

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
Prepayments/deposits paid for acquisition of property, plant and equipment	28,320	2,732
Pledged deposit (<i>note i</i>)	291,320	285,044
Deposit paid (<i>note ii</i>)	50,000	50,000
	<u>369,640</u>	<u>337,776</u>

Notes:

- (i) Offshore foreign deposit of USD40,000,000 (equivalent to approximately RMB291,320,000 (31 August 2024: RMB283,604,000)) is treated as a security to borrow an equivalent onshore long-term loan denominated in RMB in the PRC from a third party with repayment date of July 2026.

As at 31 August 2024, pledged deposits of RMB1,440,000 are secured for borrowings of RMB207,163,000. During the six months ended 28 February 2025, pledged deposits of RMB1,440,000 are fully settled as secured borrowing of RMB207,163,000 is fully settled.

- (ii) Deposit paid of RMB50,000,000 represents the refundable security deposit paid to Suzhou University of Science and Technology.

To guarantee that the Group will safeguard the school facilities and reputation of Suzhou University of Science and Technology and that the Group will operate Tianping College properly, the Group paid RMB50,000,000 as security deposit and provided a guarantee of RMB150,000,000 (the “**Guarantee**”) to Suzhou University of Science and Technology. The Guarantee is provided by a financial institution, Mr. Hou and the Company.

12. TRADE AND OTHER RECEIVABLES

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Tuition and boarding fee receivables (<i>note i</i>)	76,856	116,944
Service income receivables (<i>note v</i>)	168,734	133,684
Consultancy income receivables from Tianping College	45,000	40,000
Interest receivables from Tianping College	77,031	58,045
Advance to third parties (<i>note ii</i>)	92,860	97,860
Advance to Tianping College (<i>note iii</i>)	900,700	722,700
Other receivables	17,894	19,402
Interest receivables	14,672	11,751
Prepaid expenses	2,232	2,649
Pledged deposit (<i>note iv</i>)	–	11,500
	1,395,979	1,214,535

Notes:

- (i) The students are required to pay tuition and boarding fees in advance for the upcoming school years, which normally commences in August or September. The outstanding receivables mainly represent amounts related to the registered students who have applied for the delayed payment of tuition fees and boarding fees. These delay payments were primarily due to the application of students' loan, which generally take a few months to be settled from governmental institutions. There is no fixed credit term for payments. The Group's tuition receivables were due to a large number of individual students, there is no significant concentration of credit risk and no impairment is considered necessary based on the historical settlement pattern from students. The Group does not hold any collateral or other credit enhancement over its tuition receivables balance.

An ageing analysis of tuition and boarding fee receivables as at the end of the reporting period, based on the transaction date, is as follows:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
0-180 days	31,796	68,468
181-365 days	–	31,598
Over 1 year	45,060	16,878
	76,856	116,944

- (ii) As at 28 February 2025, the advance with principal amount of RMB87,860,000 (31 August 2024: RMB92,860,000) is unsecured, interest bearing at 6% per annum (31 August 2024: 6% per annum) and repayable in February 2026 (31 August 2024: February 2025).

As at 28 February 2025 and 31 August 2024, the advance with principal amount of RMB5,000,000 is unsecured, interest bearing at 4.75% per annum and repayable in August 2025.

- (iii) As at 28 February 2025, the advance to Tianping College with principal amount of RMB900,700,000 (31 August 2024: RMB722,700,000) was unsecured, interest bearing at 4.75% per annum (31 August 2024: 4.75% per annum) and repayable in August 2025 (31 August 2024: August 2025).
- (iv) As at 31 August 2024, pledged deposits of RMB11,500,000 are secured for borrowings of RMB41,978,000. During the six months ended 28 February 2025, pledged deposits of RMB11,500,000 are fully settled to the Group as secured borrowing of RMB41,978,000 is fully settled.
- (v) RMB142,680,000 of service income receivables have been settled subsequent to 28 February 2025.

13. CASH AND CASH EQUIVALENTS

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
Bank and cash balances		
– General accounts	204,311	675,900
– Restricted deposits	231,000	115,000
	<u>435,311</u>	<u>790,900</u>

Bank balances and cash comprise cash and short-term deposits held by the Group with an original maturity of three months or less.

14. ACCRUALS AND OTHER PAYABLES

	As at 28 February 2025 <i>RMB'000</i> (Unaudited)	As at 31 August 2024 <i>RMB'000</i> (Audited)
Interest payables	2,336	1,827
Accrued staff benefits and payroll	53,927	51,694
Payables for purchase of property, plant and equipment and construction	147,328	198,221
Receipt on behalf of ancillary services providers	65,488	60,381
Other payables, accruals and deposits received	80,617	61,376
Other taxes payables	22,323	20,115
Dividend payable	2,137	2,074
	<u>374,156</u>	<u>395,688</u>

15. SHARE CAPITAL

	Number of shares	Amount HK\$	Amount RMB	Amount RMB'000
Ordinary shares of HK\$0.00001 each				
Authorised:				
As at 1 September 2023, 31 August 2024, 1 September 2024 (Audited) and 28 February 2025 (Unaudited)	50,000,000,000	500,000	424,570	425
Issued and fully paid:				
As at 1 September 2023, 31 August 2024, 1 September 2024 (Audited) and 28 February 2025 (Unaudited)	1,200,000,000	12,000	9,867	10

16. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted but not provided for	149,956	42,231
Capital expenditure in respect of land use rights	7,022	7,022
Capital expenditure in respect of capital contribution to Tianping College	30,000	30,000
	186,978	79,253

17. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with its related parties during the period:

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Consultancy income from Tianping College (<i>note i</i>)	4,717	7,075
Interest income from Tianping College (<i>note i</i>)	18,986	10,907

The balances with related parties at the end of the reporting period are as follows:

	As at 28 February 2025 RMB'000 (Unaudited)	As at 31 August 2024 RMB'000 (Audited)
Consultancy income receivables from Tianping College (<i>note i</i>)	45,000	40,000
Interest receivables from Tianping College (<i>note i</i>)	77,031	58,045
Advance to Tianping College (<i>note i</i>)	900,700	722,700

Note:

- (i) Mr. Hou is the director and ultimate controlling shareholder of the Company and a director of Tianping College.
- (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period indicated were as follows:

	Six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Short-term benefits	3,121	3,546
Equity-settled share-based payments	1,107	1,138
	4,228	4,684

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The formal education system in the People's Republic of China (“PRC” or “China”) comprises fundamental education, which includes education from preschool to high school, secondary vocational education and higher education. Formal higher education can be further categorised into junior colleges and universities. Junior colleges only offer junior college programmes while universities can offer both junior college programmes and bachelor's degree programmes.

The Private Higher Education Industry in China

The private higher education industry in China has experienced rapid growth since the beginning of the 1990s as the relevant government authorities have made great endeavour in developing the regulatory framework for private higher education. The number of student enrolments in private higher education in China has continued to increase in recent years, with more and more students having chosen to go to private universities or colleges instead of public schools. By considering the above factors, the rapid growth in higher education in China is expected to continue, and the private higher education landscape remains competitive.

Business Review

The Company is one of the leading providers of private higher education in China. Since our inception in 2004, we have grown to operate four universities/colleges in Henan Province, namely Shangqiu University (商丘學院) (“**Shangqiu University**”), Shangqiu University Applied Science and Technology College (商丘學院應用科技學院) (“**Shangqiu University Kaifeng Campus**”), Anyang University (安陽學院) (“**Anyang University**”) and Anyang University Yuanyang Campus (安陽學院原陽校區) (“**Anyang University Yuanyang Campus**”), and two colleges in Hubei Province, namely Hubei Jiankang Vocational College (湖北健康職業學院) (“**Jiankang College**”) and Jingzhou College (荊州學院) (“**Jingzhou College**”) (formerly known as Hubei College). We also participate in the operation of Tianping College of Suzhou University of Science and Technology (蘇州科技大學天平學院) (“**Tianping College**”) and have been actively working on the conversion of Tianping College into a standalone private ordinary college (see the paragraph headed “Tianping College” below). We believe that we have strong potential to further grow our business, and the private higher education market in China presents many market opportunities.

The schools operated under the Group closely focus on the goal of application-oriented talent training, attach importance to, and actively carry out, the integration of industry and education, strengthen school-enterprise cooperation, explore “diversified talent training, innovative practical education system”, and form their own characteristics and highlights. As at 28 February 2025, the Group had entered into approximately 1,100 school-enterprise cooperations. Our collaboration models include practice and training, joint transformation of research and development results, joint training of order classes, and joint construction of majors and laboratories, and have achieved good results.

Our employment-oriented curricula are focused on equipping our students with practical skills that meet the upward trend in employment demand of economic development in China. The effectiveness of our practical curricula and training programmes is reflected in our high graduate employment rates. As at 31 December 2024, the average employment rate of the graduates of our higher education programmes was approximately 94.54%.

Our Colleges

Shangqiu University

Shangqiu University is located in Shangqiu, Henan Province, the PRC. The predecessor of Shangqiu University was Huayu College of Henan Agricultural University* (河南農業大學華豫學院), which we co-founded with Henan Agricultural University in 2004. Shangqiu University currently offers 53 bachelor's degree majors, 38 junior college to bachelor's degree transfer majors, 41 junior college diploma majors, 13 combined vocational education and junior college diploma majors and 22 vocational education majors. Shangqiu University has also been approved to offer double-degree bachelor's degree majors in marketing, Chinese language and literature, economics, human resources management, and international economy and trade. As at 28 February 2025, Shangqiu University had a total enrolment of 26,569 students for the 2024/2025 school year.

In April 2017, Shangqiu University established Chunlai College, a two-year honours degree programme that aims to promote comprehensive and individualised education of its selected students. During the second semester of the freshman year, Chunlai College selects top-performing students from the university, offering them additional academic courses and scholarships. Chunlai College engages high-calibre faculty members and assigns each student a dedicated academic advisor to guide them in research and social practice activities. To increase the competitiveness of its enrollees, Chunlai College also offers courses that prepare students for graduate school entrance exams and civil service examinations.

Shangqiu University Kaifeng Campus

Shangqiu University Kaifeng Campus is located in Kaifeng, Henan Province, the PRC. It was established in 2013 as a branch college (下屬學院) of Shangqiu University. Shangqiu University Kaifeng Campus currently offers 20 bachelor's degree majors, 16 junior college to bachelor's degree transfer majors, 7 junior college diploma majors, 4 combined vocational education and junior college diploma majors and 6 vocational education majors. As at 28 February 2025, Shangqiu University Kaifeng Campus had a total enrolment of 15,532 students for the 2024/2025 school year.

Anyang University

Anyang University is located in Anyang, Henan Province, the PRC. The predecessor of Anyang University was College of Humanities and Management of Anyang Normal University (安陽師範學院人文管理學院) which was co-founded by Anyang Normal University and Anyang Iron and Steel Group in 2003. Anyang University currently offers 46 bachelor's degree majors, 34 junior college to bachelor's degree transfer majors, 39 junior college diploma majors, 23 combined vocational education and junior college diploma majors and 14 vocational education majors. As at 28 February 2025, Anyang University had a total enrolment of 26,406 students for the 2024/2025 school year.

Anyang University Yuanyang Campus

Anyang University Yuanyang Campus is located in Yuanyang, Henan Province, the PRC. It was established in April 2021 as a branch college (下屬學院) of Anyang University. Anyang University Yuanyang Campus currently offers 19 bachelor’s degree majors and 12 junior college diploma majors. As at 28 February 2025, Anyang University Yuanyang Campus had a total enrolment of 13,046 students for the 2024/2025 school year.

Jiankang College

Jiankang College is located in Xianning, Hubei Province, the PRC. By closely following the state’s “Healthy China 2030” and “Aging Service and Industry” strategic development needs, Jiankang College has set up three departments and two divisions, including the Department of Nursing, the Department of Health Intelligent Engineering, the Department of Public Health, the Division of Basic Medicine, and the Division of Public Instruction, and offers 19 majors, namely nursing, midwifery, rehabilitation technology, dental medicine technology, health management, and rehabilitation engineering technology. As at 28 February 2025, Jiankang College had a total enrolment of 9,808 students for the 2024/2025 school year.

Jingzhou College (formerly known as Hubei College)

Jingzhou College is located in Jingzhou, Hubei Province, the PRC. Jingzhou College currently offers 38 bachelor’s degree majors, 15 junior college to bachelor’s degree transfer majors and 20 junior college diploma majors. As at 28 February 2025, Jingzhou College had a total enrolment of 19,500 students for the 2024/2025 school year.

Student Enrolment

The table below sets forth the student enrolment statistics of our colleges as at 28 February 2025 and as at 29 February 2024:

	Student Enrolment ⁽¹⁾			
	As at 28 February 2025	As at 29 February 2024	Change in number of students	Percentage change (approximately)
Shangqiu University				
Bachelor’s degree programmes	10,223	9,444	779	8.2%
Junior college to bachelor’s degree transfer programmes	5,531	4,817	714	14.8%
Junior college diploma programmes ⁽²⁾	6,182	5,523	659	11.9%
Vocational education programmes ⁽³⁾	4,633	5,854	(1,221)	(20.9)%
School subtotal	26,569	25,638	931	3.6%
Shangqiu University Kaifeng Campus				
Bachelor’s degree programmes	8,407	8,543	(136)	(1.6)%
Junior college to bachelor’s degree transfer programmes	4,197	4,749	(552)	(11.6)%

	Student Enrolment⁽¹⁾			
	As at 28 February 2025	As at 29 February 2024	Change in number of students	Percentage change (approximately)
Junior college diploma programmes ⁽²⁾	2,685	1,079	1,606	148.8%
Vocational education programmes ⁽³⁾	243	816	(573)	(70.2)%
School subtotal	15,532	15,187	345	2.3%
Anyang University				
Bachelor's degree programmes	10,496	9,920	576	5.8%
Junior college to bachelor's degree transfer programmes	3,701	5,762	(2,061)	(35.8)%
Junior college diploma programmes ⁽²⁾	8,784	8,274	510	6.2%
Vocational education programmes ⁽³⁾	3,425	4,941	(1,516)	(30.7)%
School subtotal	26,406	28,897	(2,491)	(8.6)%
Anyang University Yuanyang Campus				
Bachelor's degree programmes	7,327	7,347	(20)	(0.3)%
Junior college to bachelor's degree transfer programmes	4,975	2,636	2,339	88.7%
Junior college diploma programmes ⁽²⁾	744	259	485	187.3%
Vocational education programmes ⁽³⁾	0	506	(506)	(100.0)%
School subtotal	13,046	10,748	2,298	21.4%
Jiankang College				
Junior college diploma programmes	9,808	6,831	2,977	43.6%
School subtotal	9,808	6,831	2,977	43.6%
Jingzhou College				
Bachelor's degree programmes	7,706	7,414	292	3.9%
Junior college to bachelor's degree transfer programmes	2,231	2,075	156	7.5%
Junior college diploma programmes	9,563	7,263	2,300	31.7%
School subtotal	19,500	16,752	2,748	16.4%
Total number of students	110,861	104,053	6,808	6.5%

Notes:

- (1) As our school year typically ends in late June or early July, we present student numbers as at 29 February 2024 and 28 February 2025 for interim presentation of 2023/2024 and 2024/2025 school years' student enrolment statistics, respectively.

- (2) Including (i) students enrolled in junior college diploma programmes and (ii) students enrolled in the last three years of combined vocational education and junior college diploma programmes.
- (3) Including (i) students enrolled in vocational education programmes and (ii) students enrolled in the first two years of the combined vocational education and junior college diploma programmes.

The number of students enrolled for the 2024/2025 school year increased by 6.5% from 104,053 as at 29 February 2024 to 110,861 as at 28 February 2025. The increase was primarily due to the increase in total number of student enrolment of Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University Yuanyang Campus, Jiankang College and Jingzhou College. We also achieved our expected results through increasing our efforts and expanding our footprint, thereby driving solid momentum for future sustainable development.

The Group believes the educational philosophies of its schools and its well-developed curricula as well as its high graduate employment rates enable the Group to attract high-quality students who are seeking a pathway to satisfactory employment. In addition, the quality faculty team also played an important role in the success of the schools in the past, and will continue to do so in the future.

Tianping College

As disclosed above, we also participate in the operation of Tianping College, which is currently located in Suzhou, Jiangsu Province, the PRC. Since the successful tender by the Group for the acquisition of Tianping College and the entering into of the relevant agreements in the second half of 2019, the Group has been actively working on the conversion of Tianping College into a standalone private ordinary college, which includes, among others (i) the relocation of the school to a new school site in Nanjing, Jiangsu Province, the PRC (with a planned land area of approximately 3,600,000 square meters and a planned construction area of approximately 530,000 square meters) and building infrastructure and construction on the site; and (ii) applying for a change of school sponsor.

Upon the commencement of operations at the new campus, the Company will apply for a change of school sponsor with the Ministry of Education. The change of school sponsor will involve, among others, submitting the relevant materials to the regulatory authorities, an audit on the assets, liabilities and equity of Tianping College, and an evaluation of the Nanjing campus by an expert group assigned by the Ministry of Education. If the evaluation results are satisfactory, the Ministry of Education will approve the change of school sponsor of Tianping College and issue the relevant change of school sponsor certificate. After the change of the school's sponsor is completed, Tianping College will be transformed into a standalone private ordinary college. The Company currently targets to complete the entire conversion process by September 2026. Once the conversion is complete, Tianping College will become a consolidated affiliated entity of the Company.

Student Recruitment

Our number of new student enrolment has historically been driven primarily by word-of-mouth referrals. We believe we have a good reputation in providing high quality education services in the PRC among our students and their parents. In addition, after over 20 years of operations, we have built a highly engaged and vibrant community of alumni, who we believe would assist us to continuously attract outstanding students. Other than referrals from alumni network, we also deploy a range of marketing and recruiting methods to attract students and increase the number of student enrolment at our colleges, such as information sessions, advertisements and brochures, etc.

Our recruitment efforts, coupled with the quality and reputation of our education programmes, have helped us achieve high admission yields in our colleges that offer bachelor's degree programmes. For example, as at 28 February 2025, the overall yield of our five colleges for the 2024/2025 school year that offer bachelor's degree programmes (being Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University, Anyang University Yuanyang Campus and Jingzhou College), as defined by the number of students who enrolled in a bachelor's degree programmes divided by the number of students who were admitted in that programme, was 96.39%.

Our Teachers

We believe that our team of experienced and dedicated teachers are crucial to our success. As an operator of private schools, we have provide better incentives to qualified teachers who meet our hiring criteria. Teachers are the key factors to maintaining high-quality educational programmes and services as well as maintaining our brand and reputation. Our aim is to continue hiring teachers with a strong command of their respective subject areas who are open to innovative teaching methods and a caring heart towards students' well-being.

Future Development and Prospects

In order to continuously increase our total number of student enrolment, we plan to acquire additional land use rights and construct new education and living facilities, which, if materialized, we intend to fund from cash generated from operation and external borrowings. We consider that the increase in capacity of school campus under the expansion plan is essential to accommodate our growth strategy of increasing student enrolment going forward. As each of our colleges generally requires its students to live in dormitories on school campus, a college's total number of student enrolment is largely limited by the capacity of its student dormitories. Taking into account the gender specificity of our student dormitories and the gender mix of our students, there is currently limited capacity for a significant growth in the number of student enrolment. We expect to increase the capacity of our colleges progressively to strike a reasonable balance between the number of student enrolment and utilisation of the school campuses. We believe our estimation on the increase in capacity is appropriate and will enable our colleges to achieve sustainable growth.

We consider that, given our track record of delivering quality private higher education and industry reputation, the education authorities in the PRC will be receptive to our application for increasing admission quota provided that we are able to demonstrate that we have sufficient school capacity, appropriate facilities available and quality education programmes to offer, which are fundamental to our expansion plans going forward.

FINANCIAL REVIEW

Overview

For the Reporting Period, we recorded a revenue of RMB890.7 million, a gross profit of RMB499.8 million and an adjusted net profit of RMB402.6 million. The gross profit margin was 56.1% for the Reporting Period as compared with 60.7% for the six months ended 29 February 2024.

The net profit of the Group amounted to RMB406.6 million and RMB384.3 million for the Reporting Period and 29 February 2024, respectively. The net profit margin of the Group amounted to 45.6% and 47.2% for the Reporting Period and 29 February 2024, respectively.

The adjusted net profit of the Group for the Reporting Period was RMB402.6 million, representing an increase of RMB16.5 million or 4.3% from the corresponding period in 2024. The adjusted net profit margin of the Group was 45.2% and 47.4% for the Reporting Period and 29 February 2024, respectively.

Revenue

Our revenue increased by 9.4% from RMB813.9 million for the six months ended 29 February 2024 to RMB890.7 million for the Reporting Period, primarily due to the increase in number of student enrolment.

Revenue from Shangqiu University increased by 7.2% from RMB192.0 million for the six months ended 29 February 2024 to RMB205.8 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Shangqiu University Kaifeng Campus increased by 4.2% from RMB124.9 million for the six months ended 29 February 2024 to RMB130.1 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Anyang University decreased by 3.4% from RMB214.3 million for the six months ended 29 February 2024 to RMB207.1 million for the Reporting Period. The decrease was primarily due to the decrease in number of student enrolment.

Revenue from Anyang University Yuanyang Campus increased by 21.9% from RMB88.5 million for the six months ended 29 February 2024 to RMB107.9 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Jiankang College increased by 42.7% from RMB48.2 million for the six months ended 29 February 2024 to RMB68.8 million for the Reporting Period. The increase was primarily due to the expansion of student size

Revenue from Jingzhou College increased by 17.2% from RMB146.0 million for the six months ended 29 February 2024 to RMB171.1 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Overall, revenue from tuition fees and boarding fees received by the Group increased by 9.8% and 6.0%, respectively, from the six months ended 29 February 2024 to the Reporting Period.

Cost of Revenue

Our cost of revenue increased by 22.1% from RMB320.2 million for the six months ended 29 February 2024 to RMB390.9 million for the Reporting Period. The increase mainly reflected strategic optimization of faculty compensation frameworks and teaching workforce development programs, pushing labor costs above prior-year levels.

Gross Profit and Gross Margin

Our gross profit increased slightly by 1.2% from RMB493.7 million for the six months ended 29 February 2024 to RMB499.8 million for the Reporting Period, and our gross profit margin decreased from 60.7% for the six months ended 29 February 2024 to 56.1% for the Reporting Period.

Other Income

Our other income increased by 8.5% from RMB62.1 million for the six months ended 29 February 2024 to RMB67.4 million for the Reporting Period, primarily due to the increase in service income.

Other Gains and Losses

We recorded other losses of RMB0.6 million for the six months ended 29 February 2024, while we recorded other gains of RMB5.8 million for the Reporting Period. The other gains for the Reporting Period were primarily attributable to net foreign exchange gains.

Selling Expenses

Our selling expenses increased by 19.1% from RMB2.3 million for the six months ended 29 February 2024 to RMB2.7 million for the Reporting Period, primarily due to the increase of advertising expenses in student recruitment promotion.

Administrative Expenses

Our administrative expenses increased slightly by 3.0% from RMB117.6 million for the six months ended 29 February 2024 to RMB121.1 million for the Reporting Period, primarily due to the increase in employees' remuneration.

Finance Costs

Our finance costs decreased by 23.6% from RMB47.3 million for the six months ended 29 February 2024 to RMB36.1 million for the Reporting Period. This was driven by the Group's debt restructuring strategy of refinancing high-cost short-term liabilities with long-term low-interest loans, which effectively optimized the financing mix and reduced costs.

Income Tax Expenses

We recorded income tax expenses of RMB6.4 million for the Reporting Period as compared to income tax expenses of RMB3.8 million for the six months ended 29 February 2024 due to the increase of taxable income.

Profit for the Period

As a result of the combined effects of revenue, costs and expenses mentioned above, our profit increased by 5.8% from RMB384.3 million for the six months ended 29 February 2024 to RMB406.6 million for the Reporting Period.

Non-IFRS Measure – Adjusted Net Profit

Our adjusted net profit increased by 4.3% from RMB386.0 million for the six months ended 29 February 2024 to RMB402.6 million for the Reporting Period. Adjusted net profit (as a non-IFRS measure) was calculated as profit for the period excluding (i) share-based compensation, and (ii) foreign exchange (gain)/loss. The following table reconciles profit for the period to adjusted net profit for both periods:

	For the six months ended	
	28 February 2025	29 February 2024
	<i>(RMB in thousands)</i>	
Profit for the period	406,563	384,271
Add:		
Share-based compensation	1,646	1,199
Foreign exchange (gain)/loss	(5,652)	577
Adjusted net profit	402,557	386,047

Liquidity and Source of Funding and Borrowing

As of 28 February 2025, the Company had funded the Group's cash requirements principally from cash generated from our operations and external borrowings. The Company had cash and cash equivalents of RMB790.9 million and RMB435.3 million as of 31 August 2024 and 28 February 2025, respectively. The Company generally deposits the Group's surplus cash in interest-bearing bank accounts and current accounts.

As of 28 February 2025, the Group's principal usage of cash was for funding of required working capital, capital expenditures and other recurring expenses to support the expansion of the Group's operations. Going forward, the Group's liquidity requirements will be satisfied by using funds from a combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time. Any significant decrease in number of student enrolment, or our tuition fees and boarding fees, or a significant decrease in the availability of bank loans or other financing may adversely impact the Group's liquidity.

Gearing Ratio

As at 28 February 2025, the gearing ratio of the Group, calculated as total borrowings divided by total equity as of the end of the period, was approximately 39.9%, representing a decrease of 18.0 percentage points as compared with 57.9% as at 31 August 2024. The decrease was due to the reduction in interest-bearing debt and an increase in total equity.

Significant Investments

Save as disclosed in this announcement, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 28 February 2025) during the Reporting Period.

Material Acquisitions and Disposals of Subsidiaries, Consolidated Affiliated Entities or Associated Companies

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the Reporting Period.

Pledge of Assets

1. On 13 January 2025, Anyang University, as borrower, entered into a working capital loan agreement (the “**Loan Agreement 1**”) with Shanghai Pudong Development Bank Co., Ltd. Anyang Branch* (上海浦東發展銀行股份有限公司安陽分行), as lender (the “**Lender 1**”) in relation to which Lender 1 has agreed to make available a term loan of up to RMB240,000,000 to Anyang University (the “**Loan 1**”). On 13 January 2025, Shangqiu University, as borrower, entered into a working capital loan agreement (the “**Loan Agreement 2**”, together with the Loan Agreement 1 referred to as the “**Loan Agreements**”) with Shanghai Pudong Development Bank Co., Ltd. Shangqiu Branch* (上海浦東發展銀行股份有限公司商丘分行), as lender (the “**Lender 2**”) in relation to which Lender 2 has agreed to make available a term loan of up to RMB190,000,000 to Shangqiu University (the “**Loan 2**”, together with the Loan 1 referred to as the “**Loans**”).

Further details of the Loan Agreements and the respective related security agreements are set out in the announcement of the Company dated 13 January 2025.

2. On 20 March 2025, Anyang University* (安陽學院), as credit recipient, entered into a line of credit agreement (the “**Anyang University Line of Credit Agreement**”) with Zhongyuan Bank Co. Ltd., Anyang Branch (中原銀行股份有限公司安陽分行) (“**Zhongyuan Anyang**”) in relation to Zhongyuan Anyang agreeing to make available a credit limit facility with a principal amount of up to RMB350,000,000 (the “**Anyang University Line of Credit**”) from 20 March 2025 to 17 March 2027.

Further details of the Anyang University Line of Credit and the respective related security agreements are set out in the announcement of the Company dated 20 March 2025.

Cooperative Agreements

In November 2024, Anyang University and Shangqiu University entered into sino-foreign school operation agreements with Elite Education Institute in Australia and Anyang University entered into a sino-foreign school operation cooperation agreement with Massey University in New Zealand to establish in-depth strategic cooperation relationships with such institutions to promote their mutual aim of diversification and internationalization of education. For further details, please refer to the announcement of the Company dated 11 November 2024.

Contingent Liabilities

Except as disclosed in this announcement, the Group had no material contingent liabilities as at 28 February 2025.

Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in the PRC and the majority of the transactions were settled in Renminbi (“**RMB**”) the functional currency of the Group. The Group has certain exposure to foreign currency risk as part of its business transactions, assets and liabilities are denominated in United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, the Company has no future plans for material investments and capital assets as at 28 February 2025 and up to the date of this announcement.

Employee and Remuneration Policy

As at 29 February 2024 and 28 February 2025, we had 4,840 and 5,100 employees, respectively. All of the employees are situated in the PRC.

The number of employees employed by the Group varies from time to time depending on business need. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policy and package of the Group's employees are reviewed periodically. As required by PRC laws and regulations, the Company participates in various employee social security insurance plans for its employees that are administered by local governments, including, among others, housing provident funds, pensions, medical insurance, social insurance and unemployment insurance. According to the relevant laws and regulations in the PRC, the amount we are required to contribute for each of our employees under such plans should be calculated based on the employee's actual salary level of the previous year, and be subject to a minimum and maximum level as from time to time prescribed by local authorities.

Compensation of key executives of the Group is reviewed by the Company's remuneration committee based on the Group's performance and the executives' respective contributions to the Group.

The Company has also adopted a pre-IPO share option scheme and a share award scheme.

The total remuneration cost incurred by the Group for the Reporting Period was RMB228.8 million (for the six months ended 29 February 2024: RMB171.9 million).

EVENTS AFTER THE REPORTING PERIOD

DeepSeek R1 Model

On 13 March 2025, the Board announced that, in line with the Group's commitment to advancing artificial intelligence ("AI") education and applications, the Group intends to deploy the Deepseek R1 Model as a strategic initiative to optimize student learning, enhance teacher instruction, and foster an environment and culture that positions our schools at the forefront of educational technology. At the initial stage of this strategic initiative, the Group plans to integrate the Deepseek R1 Model into the Group's AI education platforms developed in collaboration with Beijing Gravity Link Technology Co., Ltd* (北京引力互聯科技有限公司).

For further details, please refer to the announcements of the Company dated 7 February 2024 and 13 March 2025, respectively.

Save as disclosed of the above and in the section of "Pledge of Assets" in this announcement, there were no other significant events that might affect the Group since the end of the Reporting Period and up to the date of this announcement.

DIVIDEND

The Board did not recommend the payment of an interim dividend for the Reporting Period (six months ended 29 February 2024: RMB0.0907 per ordinary share).

The final dividend in respect of the year ended 31 August 2024 of RMB0.0924 (equivalent to approximately HK\$0.1) per ordinary share totaling approximately RMB110,880,000 was approved at the annual general meeting of the Company on 10 January 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Compliance with the Corporate Governance Code

The Company has adopted and complied with all code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the Reporting Period.

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors’ dealings in the securities of the Company.

Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Lau, Tsz Man, Dr. Jin Xiaobin and Ms. Fok, Pui Ming Joanna. Mr. Lau, Tsz Man is the chairman of the audit committee and is appropriately qualified as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also reviewed and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with the management of the Company.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of any treasury shares (as defined under the Listing Rules)).

The Company did not have any treasury shares (as defined under the Listing Rules) as at 28 February 2025.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at <https://www.hkexnews.hk> and the website of the Company at <https://www.chunlaiedu.com>. The interim report of the Group for the Reporting Period will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders (if printed copy is requested) as required under the Listing Rules.

By order of the Board
China Chunlai Education Group Co., Ltd.
Hou Junyu
Executive Director

Hong Kong, 29 April 2025

As at the date of this announcement, the Board comprises Mr. Hou Junyu and Ms. Jiang Shuqin as executive Directors, Ms. Zhang Jie as executive Director and chief executive officer, Mr. Hou Chunlai as non-executive Director and chairman, and Dr. Jin Xiaobin, Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man as independent non-executive Directors.

* *The English translation of entity or enterprise names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*