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

2025
ANNUAL REPORT

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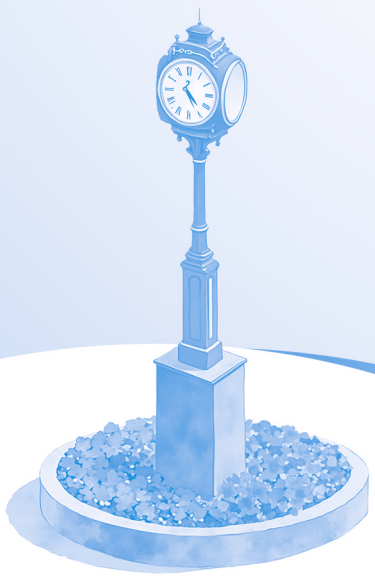

Company Profile

The Group 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 and two colleges in Hubei Province, and participate in the operation of one college in Jiangsu Province. The total student enrolment of the Group's colleges increased from 103,301 for the 2023/2024 school year to 109,952 for the 2024/2025 school year. To capture growth opportunities, each of the Group's current universities/colleges in Henan Province has acquired or is in the process of acquiring additional land and other resources to further increase student enrolment. The Group's 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 Group's revenue increased from RMB1,631.5 million for the year ended 31 August 2024 to RMB1,790.6 million for the Reporting Period.

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Hou Junyu (侯俊宇)
Ms. Jiang Shuqin (蔣淑琴)
Ms. Zhang Jie (張潔) *(Chief Executive Officer)*

Non-executive Director
Mr. Hou Chunlai (侯春來) *(Chairman)*

Independent non-executive Directors
Dr. Jin Xiaobin (金曉斌)
Ms. Fok, Pui Ming Joanna (霍珮鳴)
Mr. Lau, Tsz Man (劉子文)

AUDIT COMMITTEE

Mr. Lau, Tsz Man (劉子文) *(Chairman)*
Dr. Jin Xiaobin (金曉斌)
Ms. Fok, Pui Ming Joanna (霍珮鳴)

REMUNERATION COMMITTEE

Ms. Fok, Pui Ming Joanna (霍珮鳴) *(Chairlady)*
Ms. Jiang Shuqin (蔣淑琴)
Mr. Lau, Tsz Man (劉子文)

NOMINATION COMMITTEE

Dr. Jin Xiaobin (金曉斌) *(Chairman)*
Mr. Hou Junyu (侯俊宇)
Ms. Fok, Pui Ming Joanna (霍珮鳴)

COMPANY SECRETARY

Ms. Yu Anne (余安妮)

AUTHORISED REPRESENTATIVES

(for the purpose of Rule 3.05 of the Listing Rules)

Mr. Hou Junyu (侯俊宇)
Ms. Yu Anne (余安妮)

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay, Kowloon
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15 Queen's Road Central
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As to Cayman Islands law:
Walkers
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COMPLIANCE ADVISER

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20/F, China Building
29 Queen's Road Central
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REGISTERED OFFICE

Walkers Corporate Limited
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George Town
Grand Cayman KY1-9008
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Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 248 Queen's Road East
Wanchai
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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Henan Province
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG SHARE REGISTRAR

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PRINCIPAL BANKERS

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Henan Province
PRC

Bank of China Limited Nanjing Branch
No. 148 South Zhongshan Road
Nanjing
Jiangsu Province
PRC

COMPANY WEBSITE

https://www.chunlaiedu.com

STOCK CODE

1969

Financial Summary

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out below:

RESULTS	2021 *RMB'000, except percentages*	2022 *RMB'000, except percentages*	2023 *RMB'000, except percentages*	2024 *RMB'000, except percentages*	**2025 *RMB'000, except percentages***
Revenue	1,041,999	1,309,197	1,497,962	1,631,496	**1,790,614**
Cost of revenue	(410,560)	(482,494)	(607,907)	(675,993)	**(819,902)**
Gross profit	631,439	826,703	890,055	955,503	**970,712**
Profit before tax	609,951	555,451	688,175	786,913	**846,942**
Total comprehensive income for the year	606,925	552,260	684,393	778,171	**835,546**
Adjusted net profit[1]	396,109	537,630	673,227	789,883	**836,875**
Profitability Margins					
Gross profit margin	60.6%	63.1%	59.4%	58.6%	**54.2%**
Adjusted net profit margin[1]	38.0%	41.1%	44.9%	48.4%	**46.7%**
Assets and Liabilities					
Non-current assets	4,492,955	4,754,364	4,997,088	5,248,388	**5,130,215**
Current assets	561,245	1,116,073	1,460,715	2,005,442	**2,604,027**
Current liabilities	2,215,211	2,883,954	2,448,150	2,849,450	**2,440,379**
Net current assets (liabilities)	(1,653,966)	(1,767,881)	(987,435)	(844,008)	**163,648**
Total assets less current liabilities	2,838,989	2,986,483	4,009,653	4,404,380	**5,293,863**
Total equity	2,059,444	2,615,690	3,275,659	3,883,903	**4,611,857**
Non-current liabilities	779,545	370,793	733,994	520,477	**682,006**
Total equity and non-current liabilities	2,838,989	2,986,483	4,009,653	4,404,380	**5,293,863**
Selected Major Items					
Property, plant and equipment	2,780,754	2,797,921	2,987,663	3,161,911	**3,226,462**
Cash and cash equivalents	399,603	630,927	789,720	790,900	**832,303**
Borrowings	2,368,232	2,392,639	2,171,622	2,248,190	**1,958,530**
Deferred revenue	8,329	6,622	3,831	1,833	**1,642**
Contract liabilities	219,419	533,118	678,914	693,444	**681,680**
Liquidity					
Gearing ratio[2]	115.0%	91.4%	66.2%	57.9%	**42.5%**

Notes:

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

(2) The gearing ratio was calculated as total borrowings divided by total equity as at the end of the relevant financial year.

Financial Highlights

	Year ended 31 August		
	2025	2024	**Change (%)**
	(RMB in thousands, except percentages)		
Revenue	**1,790,614**	1,631,496	9.8%
Gross profit	**970,712**	955,503	1.6%
Profit before tax	**846,942**	786,913	7.6%
Profit for the year	**835,546**	778,171	7.4%
Non-IFRS Measure:			
Adjusted net profit[1]	**836,875**	789,883	5.9%

Note:

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

The Board did not recommend the payment of a final dividend for the year ended 31 August 2025. (2024: RMB0.0924 (equivalent to HK$0.1) per ordinary share).

NON-IFRS MEASURE

To supplement the Group's audited consolidated financial statements which are presented in accordance with the 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 Shareholders, investors and others in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the management of the Group and 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.

Management Discussion and Analysis

MARKET OVERVIEW

The formal education system in the PRC 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 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. According to Frost & Sullivan, the total number of private higher education institutions in China has been growing continuously, and the development of private higher education is primarily driven by a number of factors, including (i) support by PRC government policies and initiatives; (ii) increasing resident income and demand for higher education; (iii) growing market demand for technical talents; and (iv) increasing diversification and strengthened education quality. With the help of these 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, Shangqiu University Kaifeng Campus, Anyang University and Anyang University Yuanyang Campus, and two colleges in Hubei Province, namely Jiankang College and Jingzhou College. We also participate in the operation of 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. 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, which have achieved good results.

Management Discussion and Analysis

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 15 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. For the 2024/2025 school year, Shangqiu University had a total enrolment of 26,165 students.

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 enrolees, 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 30 bachelor's degree majors, 17 junior college to bachelor's degree transfer majors, 23 junior college diploma majors, 5 combined vocational education and junior college diploma majors and 7 vocational education majors. For the 2024/2025 school year, Shangqiu University Kaifeng Campus had a total enrolment of 15,499 students.

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. For the 2024/2025 school year, Anyang University had a total enrolment of 26,143 students.

Anyang University Yuanyang Campus

In April 2021, we established the Anyang University Yuanyang Campus. Anyang University Yuanyang Campus currently offers 23 bachelor's degree majors, 15 junior college diploma majors, and 18 junior college to bachelor's degree transfer majors. For the 2024/2025 school year, Anyang University Yuanyang Campus had a total enrolment of 13,045 students.

Management Discussion and Analysis

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 21 junior college diploma majors, namely nursing, midwifery, rehabilitation technology, dental medicine technology, health management, and rehabilitation engineering technology. For the 2024/2025 school year, Jiankang College had a total enrolment of 9,743 students.

Jingzhou College (formerly known as Hubei College)

Jingzhou College is located in Jingzhou, Hubei Province, the PRC. Jingzhou College currently offers 42 bachelor's degree majors, 17 junior college to bachelor's degree transfer majors and 22 junior college diploma majors. For the 2024/2025 school year, Jingzhou College had a total enrolment of 19,357 students.

Tianping College

As disclosed above, we also participate in the operation of Tianping College, which is currently located in both Suzhou and Nanjing, 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 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. A key risk is potential delays in the timeline, which may be affected by multiple factors including regulatory procedures and unforeseen policy adjustments. Once the conversion is complete, Tianping College will become a consolidated affiliated entity of the Company.

Management Discussion and Analysis

Student Enrolment

The table below sets forth the enrolment statistics of our colleges for the 2023/2024 and 2024/2025 school years:

	Student enrolment[1] for the school year		Change in number of students	Percentage change (approximately)
	2024/2025	2023/2024		
Shangqiu University				
Bachelor's degree programmes	**10,208**	9,521	687	7.2%
Junior college to bachelor's degree transfer programmes	**5,524**	4,842	682	14.1%
Junior college diploma programmes[2]	**6,129**	5,631	498	8.8%
Vocational education programmes[3]	**4,304**	5,052	-748	-14.8%
School subtotal	**26,165**	25,046	1,119	4.5%
Shangqiu University Kaifeng Campus				
Bachelor's degree programmes	**8,406**	8,571	-165	-1.9%
Junior college to bachelor's degree transfer programmes	**4,195**	4,746	-551	-11.6%
Junior college diploma programmes[2]	**2,674**	1,117	1,557	139.4%
Vocational education programmes[3]	**224**	736	-512	-69.6%
School subtotal	**15,499**	15,170	329	2.2%
Anyang University				
Bachelor's degree programmes	**10,483**	9,951	532	5.3%
Junior college to bachelor's degree transfer programmes	**3,700**	5,764	-2,064	-35.8%
Junior college diploma programmes[2]	**8,722**	8,307	415	5.0%
Vocational education programmes[3]	**3,238**	4,716	-1,478	-31.3%
School subtotal	**26,143**	28,738	-2,595	-9.0%

Management Discussion and Analysis

	Student enrolment[1] for the school year		Change in number of students	Percentage change (approximately)
	2024/2025	2023/2024		
Anyang University Yuanyang Campus				
Bachelor's degree programmes	**7,329**	7,354	-25	-0.3%
Junior college to bachelor's degree transfer programmes	**4,974**	2,641	2,333	88.3%
Junior college diploma programmes	**742**	266	476	178.9%
Vocational education programmes	**–**	527	-527	-100%
School subtotal	**13,045**	10,788	2,257	20.9%
Jiankang College				
Junior college diploma programmes	**9,743**	6,805	2,938	43.2%
School subtotal	**9,743**	6,805	2,938	43.2%
Jingzhou College				
Bachelor's degree programmes	**7,696**	7,476	220	2.9%
Junior college to bachelor's degree transfer programmes	**2,227**	2,076	151	7.3%
Junior college diploma programmes	**9,434**	7,202	2,232	31.0%
School subtotal	**19,357**	16,754	2,603	15.5%
Total number of students	**109,952**	103,301	6,651	6.4%

Notes:

(1) As our school year typically ends in late June or early July, we present student enrolment statistics as of 30 June for the 2023/2024 and 2024/2025 school years.

(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 combined vocational education and junior college diploma programmes.

Management Discussion and Analysis

For the 2024/2025 school year, the number of students enrolled increased by 6.4% from 103,301 in the prior school year to 109,952. The increase was primarily due to the increase in enrolment at Shangqiu University, Shangqiu University Kaifeng Campus, Anyang University Yuanyang Campus, Jingzhou College and Jiankang College. We also achieved 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, our 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.

Student Recruitment

Our 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 enrolment at our colleges, such as information sessions, advertisements and brochures.

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, for the 2024/2025 school year, the overall yield of our five colleges 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 programme divided by the number of students who were admitted in that programme, was 96.9%.

Management Discussion and Analysis

Our Teachers

We believe that our team of experienced and dedicated teachers is crucial to our success. As an operator of private schools, we can provide better incentives to qualified teachers who fit 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.

Strategic Initiative to Deploy the DeepSeek R1 Model

In line with our commitment to advancing artificial intelligence ("**AI**") education and applications, we intend 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, we plan to integrate the DeepSeek R1 Model into our 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 announcement of the Company dated 13 March 2025.

Sino-Foreign School Operation Cooperation Agreements

In November 2024, Anyang University and Shangqiu University entered into sino-foreign school operation cooperation 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. Each of Anyang University and Shangqiu University is a wholly-owned sponsored school of the Company. For further details, please refer to the announcement of the Company dated 11 November 2024.

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 our operation and external borrowings. We consider that the increase in capacity of school campus under our expansion plans 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 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 to accommodate significant growth in student enrolment. We expect to increase the capacity of our colleges progressively to strike a reasonable balance between student enrolment and utilisation of the school campuses. We believe the estimated increase in capacity is appropriate and will enable our colleges to grow sustainably. 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, and adequate facilities available and quality education programmes to offer, which are fundamental to our expansion plans going forward.

Management Discussion and Analysis

FINANCIAL REVIEW

Overview

During the Reporting Period, we recorded a revenue of RMB1,790.6 million and a gross profit of RMB970.7 million. The gross profit margin was 54.2% for the year ended 31 August 2025 as compared with 58.6% for the corresponding period in 2024.

The net profit of the Group amounted to RMB835.5 million and RMB778.2 million for the years ended 31 August 2025 and 31 August 2024, respectively. The net profit margin of the Group amounted to 46.7% and 47.7% for the years ended 31 August 2025 and 31 August 2024, respectively.

The adjusted net profit of the Group for the Reporting Period was RMB836.9 million, representing an increase of RMB47.0 million or 5.9% from the corresponding period in 2024. The adjusted net profit margin of the Group was 46.7% and 48.4% for the years ended 31 August 2025 and 31 August 2024, respectively. The increase in adjusted net profit was mainly due to revenue growth fueled by an expansion in the student population.

Revenue

Our revenue increased by 9.8% from RMB1,631.5 million for the year ended 31 August 2024 to RMB1,790.6 million for the Reporting Period, primarily due to the increase in number of student enrolment.

Revenue from Shangqiu University increased by 8.3% from RMB384.3 million for the year ended 31 August 2024 to RMB416.1 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 RMB249.9 million for the year ended 31 August 2024 to RMB260.4 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Anyang University decreased by 2.5% from RMB430.1 million for the year ended 31 August 2024 to RMB419.3 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 21.7% from RMB177.2 million for the year ended 31 August 2024 to RMB215.7 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Jiankang College increased by 42.5% from RMB96.7 million for the year ended 31 August 2024 to RMB137.8 million for the Reporting Period. The increase was primarily due to the increase in number of student enrolment.

Revenue from Jingzhou College increased by 16.4% from RMB293.2 million for the year ended 31 August 2024 to RMB341.3 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 increased by 10.1% and 6.3%, respectively, from the year ended 31 August 2024 to the Reporting Period.

Management Discussion and Analysis

Cost of Revenue

Our cost of revenue increased by 21.3% from RMB676.0 million for the year ended 31 August 2024 to RMB819.9 million for the Reporting Period. As a percentage of revenue, our cost of revenue increased from 41.4% for the year ended 31 August 2024 to 45.8% for the Reporting Period. The increase in cost of revenue was primarily due to higher staff costs caused by the increase in both employee headcount and salaries.

Gross Profit and Gross Margin

Our gross profit increased slightly by 1.6% from RMB955.5 million for the year ended 31 August 2024 to RMB970.7 million for the Reporting Period, and our gross profit margin decreased from 58.6% for the year ended 31 August 2024 to 54.2% for the Reporting Period.

Other Income

Our other income increased by 6.7% from RMB128.8 million for the year ended 31 August 2024 to RMB137.4 million for the Reporting Period. The increase was primarily due to the increase in the interest income from the advance to Tianping College.

Other Gains and Losses

We recorded other losses of RMB7.8 million for the year ended 31 August 2024, while we recorded other gains of RMB3.7 million for the Reporting Period. The increase compared to last year was due to net foreign exchange gains.

Selling Expenses

Our selling expenses increased by 11.3% from RMB3.9 million for the year ended 31 August 2024 to RMB4.4 million for the Reporting Period. The increase was primarily due to the increase of advertising expense in student recruitment promotion.

Administrative Expenses

Our administrative expenses increased by 4.0% from RMB190.0 million for the year ended 31 August 2024 to RMB197.5 million for the Reporting Period. The increase was primarily due to property management fees incurred from our newly hired property management company.

Finance Costs

Our finance costs decreased by 34.2% from RMB95.7 million for the year ended 31 August 2024 to RMB63.0 million for the Reporting Period. The decrease was primarily due to both a decrease in the scale of loan and a drop in the average loan interest rate.

Income Tax Expenses

We recorded income tax expenses of RMB8.7 million for the year ended 31 August 2024 as compared to income tax expenses of RMB11.4 million for the Reporting Period, due to the increase of taxable income.

Management Discussion and Analysis

Profit for the Year

As a result of the foregoing, our profit for the year increased by 7.4% from RMB778.2 million for the year ended 31 August 2024 to RMB835.5 million for the Reporting Period.

Non-IFRS Measure – Adjusted Net Profit

Our adjusted net profit increased by 5.9% from RMB789.9 million for the year ended 31 August 2024 to RMB836.9 million for the Reporting Period. Adjusted net profit (as a non-IFRS measure) was calculated as profit for the year excluding (i) share-based compensation, and (ii) foreign exchange (gain)/loss. The following table reconciles profit for the year to adjusted net profit for both years:

	For the year ended 31 August	
	2025	2024
	(RMB in thousands)	
Profit for the year	**835,546**	778,171
Add:		
Share-based compensation	**3,288**	3,391
Foreign exchange (gain)/loss	**(1,959)**	8,321
Adjusted net profit	**836,875**	789,883

Liquidity and Source of Funding and Borrowing

During the Reporting Period, the Company had funded the Group's cash requirements principally from cash generated from its operation and external borrowings. The Company had cash and cash equivalents of RMB790.9 million and RMB832.3 million as at 31 August 2024 and 2025, respectively. The Company generally deposits the Group's surplus cash in interest-bearing bank accounts and current accounts.

As of 31 August 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 31 August 2025, the gearing ratio of the Group, calculated as total borrowings divided by total equity as of the end of the year, was approximately 42.5%, representing a decrease of 15.4 percentage points as compared with 57.9% as at 31 August 2024. The decrease was due to the increase in total equity and reduction in borrowings.

Management Discussion and Analysis

Significant Investments

Save as disclosed in this report, 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 31 August 2025) during the Reporting Period.

Material Acquisitions and Disposals

Save as disclosed in this report, 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 20 March 2025, Anyang University, as credit recipient, and Zhongyuan Bank Co. Ltd., Anyang Branch* (中原銀行股份有限公司安陽分行), as creditor ("**Zhongyuan Anyang**"), entered into a line of credit agreement (the "**Anyang Line of Credit Agreement**"), pursuant to which Zhongyuan Anyang agreed to make available a credit limit in the principal amount of up to RMB350,000,000 to Anyang University. Among other security provided, Anyang University entered into a rights pledge agreement with Zhongyuan Anyang, pursuant to which Anyang University agreed to pledge its rights in favour of Zhongyuan Anyang for its liabilities under the Anyang Line of Credit Agreement.

2. On 13 January 2025, Anyang University (as borrower) and 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) ("**Pudong Anyang**") entered into a working capital loan agreement (the "**Anyang Working Capital Loan Agreement**"), pursuant to which Pudong Anyang has agreed to make available a term loan of up to RMB240,000,000 to Anyang University. Among other security provided, Anyang University entered into an account receivables pledge agreement with Pudong Anyang, pursuant to which Anyang University agreed to pledge its account receivables in favour of Pudong Anyang for its liabilities under the Anyang Working Capital Loan Agreement.

3. On 13 January 2025, Shangqiu University (as borrower) and 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) ("**Pudong Shangqiu**") entered into a working capital loan agreement (the "**Shangqiu Working Capital Loan Agreement**"), pursuant to which Pudong Shangqiu has agreed to make available a term loan of up to RMB190,000,000 to Shangqiu University. Among other security provided, Shangqiu University entered into an account receivables pledge agreement with Pudong Shangqiu, pursuant to which Shangqiu University agreed to pledge its account receivables in favour of Pudong Shangqiu for its liabilities under the Shangqiu Working Capital Loan Agreement.

Further details of the above are set out in the announcements of the Company dated 20 March 2025, and 13 January 2025, respectively.

Management Discussion and Analysis

Contingent Liabilities

Save as disclosed in this report, the Group had no material contingent liabilities as at 31 August 2025.

Foreign Exchange Exposure

During the year ended 31 August 2025, the Group mainly operated in the PRC and the majority of the transactions were settled in RMB. The Group has certain exposure to foreign currency risk as part of its business transactions, assets and liabilities are denominated in US$ and HK$. 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 and Capital Assets

Save as disclosed in this report, the Company has no other future plans for material investments and capital assets.

Employee and Remuneration Policy

As at 31 August 2024 and 2025, we had 5,180 and 5,800 employees, respectively.

The number of employees employed by the Group varies from time to time depending on business needs. 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 the 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 RMB459.6 million (for the year ended 31 August 2024: RMB356.2 million).

Management Discussion and Analysis

EVENTS AFTER THE REPORTING PERIOD

Tianping College

In September 2025, the Company has commenced operations of Tianping College in the new campus located in Nanjing, Jiangsu Province, the PRC for the 2025/2026 school year. The Company will apply for a change of school sponsor with the Ministry of Education, upon completion of which Tianping College will be transformed into a standalone private ordinary college and become a consolidated affiliated entity of the Company. For further details, please refer to the announcement of the Company dated 21 July 2025.

Donation of Access to AI and Blockchain Technology

In October 2025, Mr. Hou Chunlai (the chairman of the Board, non-executive Director and founder of the Group), who owns a data center (the "**Data Center**") in Washington, the United States, has agreed to provide to the Group, by way of donation, free-of-charge access to the AI and blockchain technology developed by the Data Center from time to time. The donation is for an initial term of five years and the Group is not subject to any conditions or obligations in return for the donation. The complimentary access via donation will enable the Group's schools to utilize cutting-edge advancements in AI and blockchain technology. For further details, please refer to the announcement of the Company dated 8 October 2025. As the Data Center is still in its ramp up stage, the Group will provide further updates as and when appropriate.

Save as disclosed in the foregoing, 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 report.

Directors and Senior Management

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

EXECUTIVE DIRECTORS

Mr. Hou Junyu (侯俊宇), aged 34, was appointed as an executive Director on 15 November 2017 and was the chairman of the Nomination Committee from 12 February 2018 until 27 November 2023, after which he remained as a member of the Nomination Committee. Mr. Hou was the chief executive officer of the Company from 12 February 2018 until he relinquished his role on 25 September 2020. Mr. Hou has served as the vice chairman of the Board and chief executive officer of the School Sponsor since February 2014 and leads the day-to-day operation of the Group as well as spearheads the Group's key decisions. Since August 2012, Mr. Hou has been the associate dean of Shangqiu University, where he is responsible for managing human resources, finance and student affairs. From February 2013, he has also served as the associate dean of Anyang University, where he is responsible for student admissions and enrolment, human resources and the academy's financial affairs.

Mr. Hou attended secondary school education in the PRC and studied undergraduate course in business management and economics at the University of Sussex from October 2008 to June 2012. Mr. Hou returned to the PRC in 2012 with a view to taking up the management of the Company's operations and has since devoted his full efforts to the development and operations of the Group, and therefore did not complete the undergraduate course in the University of Sussex. Mr. Hou is the son of Ms. Jiang and Chairman Hou.

Ms. Jiang Shuqin (蔣淑琴), aged 59, was appointed as an executive Director and a member of the Remuneration Committee on 12 February 2018. Ms. Jiang has served as an executive director of the School Sponsor since the establishment of the Group and has been the financial controller of each of the PRC operating schools since their establishment. Ms. Jiang is primarily responsible for the strategic development, daily management and overseeing financial operations of the Group. Ms. Jiang has over 15 years of experience in the education industry and financial management. Ms. Jiang attended senior secondary education in the PRC. She is the spouse of Chairman Hou, mother of Mr. Hou and sister-in-law of Mr. Yang Xinzhong.

Ms. Zhang Jie (張潔), aged 56, was the vice chief executive officer of the Company from 30 April 2019 until her appointment as an executive Director and chief executive officer of the Company on 25 September 2020. Ms. Zhang was the vice chairman of the School Sponsor from October 2018 to 30 April 2019. Ms. Zhang obtained a bachelor's degree from Wuhan University of Technology (formerly known as Wuhan Automotive Polytechnic University) and an EMBA degree from Xi'an Jiaotong University thereafter. In November 1993, she joined the Shengda College of Economics, Business & Management of Zhengzhou University (now known as Zhengzhou Shengda University of Economics, Business & Management), and served as the chief accounting officer from November 1994 to July 1998 and director of the accounting function from August 1998 to January 2004. In February 2004, she served as the director of the preparatory office of Chenggong College of Henan University of Economics and Law (now known as Zhengzhou Business University), responsible for overall preparation of the establishment of the college. In February 2007, she served as the vice president of Shengda College of Economics, Business & Management of Zhengzhou University (now known as Zhengzhou Shengda University of Economics, Business & Management), in charge of finance, enrolment, employment, modern education technology center, laboratory construction, equipment management office and related executive functions. In 2010, she was fully responsible for, and successfully completed, the separation and independent operation of the decoupling between Shengda College of Economics, Business & Management of Zhengzhou University and Zhengzhou University. In March 2016, she was responsible for, and successfully completed, the set-up and the fulfilment of the teaching conditions for the teaching evaluation of Zhengzhou Shengda University of Economics, Business & Management required by the Ministry of Education. She has been engaged in private HEI for 30 years and has considerable experience in private HEI management.

Directors and Senior Management

NON-EXECUTIVE DIRECTOR

Mr. Hou Chunlai (侯春來), aged 56, is the founder of the Group. Chairman Hou was appointed as a non-executive Director and the chairman of the Board on 12 February 2018. He is responsible for overseeing the corporate development and strategic planning of the Group. Chairman Hou has also been a standing director of China Association for Private Education since November 2011 and was a director of China Association for Private Education, Higher Education Committee from January 2010 to January 2015.

Chairman Hou is also actively engaged in civil affairs in the PRC. In particular, Chairman Hou was a delegate of the Twelfth Henan People's Congress (河南省第十二屆人民代表大會) during the period from December 2012 to December 2017. Chairman Hou was awarded 'Advanced Individual' of Henan Private Education (河南省民辦教育先進個人) by the Education Department of Henan Province (河南省教育廳) in October 2016.

Chairman Hou graduated from Nankai University (南開大學) in December 2006 with a master's degree in business administration and obtained the qualification as an associate professorship of Shangqiu University in November 2013. Chairman Hou is the spouse of Ms. Jiang and the father of Mr. Hou.

Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Jin Xiaobin (金曉斌), aged 71, was appointed as an independent non-executive Director, a member of the Audit Committee and a member of the Nomination Committee with effect from 31 August 2018, and has been the chairman of the Nomination Committee since 28 November 2023. Dr. Jin is primarily responsible for supervising and providing independent judgement to the Board.

Dr. Jin is currently the principal of Shanghai Economics Development Research Institute (上海時代經濟發展研究院院長) and has been adjunct advisor of Fudan University (復旦大學), course professor of University of Science and Technology of China (中國科學技術大學), adjunct advisor for master students of Shanghai University of Finance Economics (上海財經大學), adjunct professor of Tongji University (同濟大學), invited research fellow of Peking University (北京大學) and of the Chinese Academy of Social Sciences (中國社會科學院), and visiting scholar of the Wharton School of University of Pennsylvania and the Australian Securities Institute.

Dr. Jin has more than 21 years of operating and management experience in the securities industry. Dr. Jin joined Haitong Securities Co., Ltd. (海通證券股份有限公司) ("**Haitong**"), a company listed on the Stock Exchange (stock code: 6837) and the Shanghai Stock Exchange (stock code: 600837) in 1998 and had held several positions in Haitong and its subsidiaries from December 1998 to August 2015, including head of research institute of Haitong, general manager of brokerage business headquarters, assistant to the general manager of Haitong, general manager of M&A financing department, secretary to board of directors of Haitong, deputy director of the investment banking committee of Haitong, joint company secretary and the authorised representative of Haitong, vice president of Haitong, the chairman of Haitong Jihe Equity Investment Fund Management Co. Ltd. (海通吉禾股權投資基金管理公司) and the chairman of Haitong New Energy Equity Investment Fund Management Co. Ltd. (海通新能源股權投資基金管理公司). Dr. Jin was appointed as a director of A-Jex Investment Limited (愛建(香港)有限公司), a wholly-owned subsidiary of a company listed on the Shanghai Stock Exchange, Shanghai AJ Group Co., Ltd (上海愛建集團股份有限公司) (stock code: 600643), in April 2018.

Dr. Jin obtained a doctorate degree in economics from Fudan University in January 1997, a master's degree in economics from Fudan University in July 1993 and professional certification in the major in political education from Shanghai Second Institute of Education (上海第二教育學院) in July 1988. Dr. Jin worked at and conducted postdoctoral researches in finance at the Shanghai University of Finance and Economics from December 1996 to July 1999. Dr. Jin has been a deputy researcher recognised by Shanghai University of Finance and Economics since June 1998 and has been an expert with special allowance from the State Council since June 2002. Dr. Jin worked in the People's Liberation Army Navy (中國人民解放軍海軍) from December 1972 to April 1998. He acted as the deputy director of the analysts committee under the Securities Association of China from July 2000 to July 2002, from December 2002 to December 2004 and from July 2005 to July 2007. He also acted as a professional evaluation expert of securities companies in the Securities Association of China (中國證券業協會) from January 2011 to January 2012 and a member of the Advisory Committee of Information Disclosure of Companies Listed on Shanghai Stock Exchange from November 2013 to November 2015. He has acted as a member of the Culture and Media Industry Committee of China Corporate Listing Association (中國上市公司協會文化傳媒行業委員會) and is a fellow member of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute).

Directors and Senior Management

Ms. Fok, Pui Ming Joanna (霍珮鳴), aged 46, was appointed as an independent non-executive Director, chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee on 12 February 2018, taking effect on 31 August 2018. Ms. Fok is primarily responsible for supervising and providing independent judgement to the Board.

Ms. Fok has more than 15 years of experience in business development and recruitment planning. From October 2004 to October 2006, Ms. Fok was a manager of Servcorp Limited (世服宏圖商務服務(北京)有限公司), where she was responsible for the sales, marketing, recruitment and training. Ms. Fok worked at different offices of PageGroup (米高蒲志國際顧問公司), an international recruitment firm listed on the London Stock Exchange (LSE: PAGE), from 2007 to 2019. From April 2007 to October 2009, Ms. Fok served as a recruitment consultant of Michael Page International (Japan) K.K. (東京米高蒲志國際顧問公司), where she was responsible for the planning of the recruitment projects in relation to human resources and information technology. From December 2009 to September 2012, Ms. Fok served as a senior recruitment consultant of Michael Page (Shanghai) Recruitment Co., Limited (上海米高蒲志國際顧問公司), where she was responsible for the planning of the recruitment projects in relation to accounting and finance. From November 2012 to August 2014, Ms. Fok served as the associate director of Michael Page International (Hong Kong) Limited (香港米高蒲志國際顧問公司), where she was responsible for the planning of recruitment projects across sectors including business services, information technology, medical, electronics, manufacturing and retail. From June 2017 to 14 April 2019, Ms. Fok was the associate director of the human resources department of Michael Page International (Hong Kong) Limited (香港米高蒲志國際顧問公司), where she was responsible for the design and implementation of training programmes for the recruiting consultants. Ms. Fok was appointed as an associate director of the talent acquisition department of Colliers International Pacific Limited with effect from 29 April 2019.

Ms. Fok obtained a bachelor's degree of science from University of British Columbia in May 2001 and a master's degree of public management from Tsinghua University in July 2004.

Mr. Lau, Tsz Man (劉子文), aged 42, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee with effect from 31 August 2018. Mr. Lau is primarily responsible for supervising and providing independent judgement to the Board.

Mr. Lau has more than 13 years of experience in accounting and finance. Since August 2016, Mr. Lau has been a director of Wincy Education Holdings Limited (凱晴教育控股有限公司), and since April 2017, Mr. Lau has been the chief financial officer of Nobao Energy Holdings (China) Limited (挪寶能源控股(中國)有限公司).

From September 2006 to November 2014, Mr. Lau worked at Deloitte Touche Tohmatsu (Hong Kong branch and Shanghai branch), where he was responsible for auditing. From November 2014 to March 2016, Mr. Lau was the chief accounting officer and financial controller of Shunfeng International Clean Energy Limited, a company listed on the Stock Exchange (stock code: 1165), where he was responsible for finance and accounting.

Mr. Lau is a certified public accountant and is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Institute of Chartered Accountants in England and Wales. Mr. Lau obtained a bachelor's degree of business administration in marketing from City University of Hong Kong in July 2006.

Directors and Senior Management

SENIOR MANAGEMENT

Mr. Yang Xinzhong (楊新忠), aged 56, was appointed as the general manager of the Company on 12 February 2018 and has been the vice chairman of the School Sponsor since September 2013. Mr. Yang is responsible for overseeing external relations and coordinating processes and operating across our organisation. Mr. Yang has over 14 years of experience in the education industry. Mr. Yang worked at Shangqiu University between September 2005 and September 2009, where he served as the vice principal.

From March 2010 to August 2013, Mr. Yang was the person-in-charge for the construction preparation of Shangqiu University Kaifeng Campus (商丘學院應用科技學院). From September 2013 to September 2014, Mr. Yang served as the secretary of the Communist Party Committee at the Shangqiu University Kaifeng Campus (商丘學院應用科技學院). Mr. Yang graduated from Henan Normal University (河南師範大學) in July 1993 with a bachelor's degree of arts, majoring in Chinese language and literature. Mr. Yang is the brother-in-law of Ms. Jiang.

Mr. Liu Wei (劉偉), aged 45, was appointed as the head of the planning and construction department of the Company in October 2022 and is responsible for the planning, construction and operation of the Company's infrastructure and network. He was appointed as the head of the business support services department of the Company on 12 February 2018. Mr. Liu has over 19 years of experience in administration and business support. Prior to joining of the Group, Mr. Liu worked in the Chengguan Town, Yucheng County municipal government. Between September 2005 and March 2006, Mr. Liu worked in the logistics department at Shangqiu University. From April 2006 to March 2013, Mr. Liu served as the head of the general affairs department at Shangqiu University. From April 2013 to February 2018, he served as the general manager of the business support services department of the School Sponsor and was responsible for overseeing the general business support services. Mr. Liu graduated from Henan University of Economics and Law (河南財經政法大學) by passing the self-study examination in June 2016 and obtained an undergraduate professional certification in financial management.

Mr. Wang Jie (王傑), aged 42, was appointed as the director of the logistics insurance department of the Company in October 2022, responsible for the insurance of logistics. Mr. Wang graduated from Henan Agriculture University in 2006 with a bachelor's degree of agriculture, majoring in forestry. Mr. Wang has over 16 years of experience in the education industry. From August 2006 to September 2007, Mr. Wang worked as an ideological and political instructor at Shangqiu University. Mr. Wang then served as the deputy office manager (in charge of work) of Shangqiu University between September 2007 and February 2008. From February 2008 to June 2015, Mr. Wang served as office manager of Shangqiu University. In addition to these positions, Mr. Wang served as the office manager of Chunlai Education Group from December 2012 to February 2018, and was the office manager of the Company from February 2018 to October 2022, where he was responsible for overseeing the daily operation of the general office.

Directors and Senior Management

Mr. Ma Shaoshuai (馬紹帥), aged 41, has been the director of the operation service department of the Company since October 2022. From June 2019 to October 2022, he was the director of the human resources department of the Company. From October 2018 to October 2019, he was the vice director of the logistics insurance and operation department of the School Sponsor. Mr. Ma obtained his bachelor's degree from Henan University and master's degree in Education from Henan Normal University (河南師範大學) and he was rated as an associate professor. Mr. Ma joined Shangqiu University in August 2011, and consecutively held positions including director of the logistics department in June 2014, person in charge of the overall administrative matters in March 2016 and vice president of Shangqiu University from 2017 to 2019, responsible for the management of, among others, logistics, assets, infrastructure construction and security of the school. He took part in Shangqiu University's preparation work for the assessment from the Ministry of Education on the teaching of bachelor degree courses and passed. In 2020, he played a role in the conversion of Hubei College into Jingzhou College.

Mr. Huo Zechun (豁澤春), aged 44, is a member of the Communist Party of China (CPC), a master of agriculture and an associate professor. In 2020, he was appointed as the director of education promotion office of the Company, responsible for the education and teaching, teaching supervision and quality monitoring and assessment of the company's schools. Mr. Huo has over 18 years of experience in education and teaching. From August 2006 to August 2009, he served as a professional teacher at Shangqiu University, and then from September 2009 to February 2014, he served successively as the deputy secretary of the general Party branch and the associate dean of teaching of the School of Landscape Architecture of Shangqiu University; from February 2014 to February 2015, he served as the director of education promotion office of the School Sponsor and concurrently as the director of education promotion office of Shangqiu University; from March 2015 to May 2017, he concurrently served as the Secretary of Committee for Discipline Inspection and chairman of the labor union of Shangqiu University; from May 2017 to December 2019, he concurrently served as Deputy Secretary of CPC and vice principal, responsible for teaching supervision, quality monitoring and promotion work of the Group and the party building and management of Discipline Inspection Committee, labor union and students of Shangqiu University. Mr. Huo was awarded the professional title of associate professor in 2018, and was awarded the honorary title of "Outstanding Education Management Talent" (優秀教育管理人才) by the Education Department of Henan Province (河南省教育廳), the honorary title of "Excellent Teacher" of Henan Private Education (河南省民辦教育優秀教師), and the honorary title of "Advanced Individual" of Henan Private Education (河南省民辦教育先進個人).

Directors and Senior Management

Ms. Zhang Huaiwen (張懷文), aged 38, with a doctorate degree in economics, was appointed as the director of the human resources department of the Company in October 2022 and was the director of the development planning department of the Company from September 2019 to September 2022. She has served as a teacher and the secretary of the Youth League Committee of Shangqiu University, a teacher, the director of the Student Affairs Office, the deputy secretary of the Party Committee and the vice president of Anyang University. She has extensive experience in the higher education industry and has participated in the conversion of Shangqiu University and the assessment on the teaching of bachelor degree courses, the conversion of Anyang University and the assessment on the teaching of bachelor degree courses, the establishment of Anyang University Yuanyang Campus as well as the conversion of Jingzhou University.

Mr. Sheng Yiming (盛一名), aged 35, was appointed as the chief financial officer of the Company on 25 September 2020. Mr. Sheng is primarily responsible for overseeing the daily operations of the finance department and internal compliance department of the Company. Mr. Sheng is also the chief accountant of Tianping College since September 2019. From September 2012 to June 2018, he served as an audit manager at Deloitte Touche Tohmatsu and gained extensive experience in annual audit and listing related matters. From June 2015 to February 2016, Mr. Sheng was a senior manager at Everbright Securities Company Limited, investment banking department. Mr. Sheng received his postgraduate degree in finance and business management from the Shanghai Advanced Institute of Finance and Shanghai Jiaotong University in 2018. Mr. Sheng is a certified public accountant and a qualified lawyer in the PRC.

Mr. Shi Wanqing (史萬慶), aged 39, has been the office director of the School Sponsor since October 2022. From June 2021 to October 2022, he served as the deputy director of the logistics insurance department of the School Sponsor. He obtained a bachelor's degree and a master's degree in engineering from Henan Normal University (河南師範大學) in July 2012 and July 2015, respectively, and was rated as an associate professor. He is currently studying for a doctorate degree in educational technology from Nanchang University. He was awarded Civilised Teacher of Henan Province, Outstanding Education Management Talent of Henan Education Department, Academic and Technical Leader of Henan Education Department, and Domestic Visiting Scholar in Higher Education Institutions of the Ministry of Education. In December 2022, he was elected as a member of the Sixth Shangqiu Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC).

Mr. Shi stayed at the school since March 2008. From March 2008 to September 2016, he served as clerk, officer, section officer, deputy section chief, section chief, deputy director and director of the office of the president of Shangqiu University. From September 2016 to May 2020, he served as director of the office of the Shangqiu University, director of the personnel office, director of the foreign affairs office, and director of the organisation department of the Party Committee. From May 2020 to October 2022, he served as deputy secretary of the Party Committee and vice president of Shangqiu University, responsible for the management of, among others, the school's organisation, party building, personnel, foreign affairs, logistics, infrastructure, assets, catering and commerce, and has served as deputy secretary of the Party Committee of Shangqiu University since then.

Directors and Senior Management

Ms. Li Xin (李信), aged 39, is an intermediate accountant and a senior management accountant. She was appointed as the director of the audit department of the Company in February 2023, where she was responsible for the audit of external disclosure and internal audit of the Company. Ms. Li graduated from Zhengzhou University in 2009 with a bachelor's degree in management. She has relatively extensive experience in finance and auditing in the private higher education industry, and has successively been engaged in the teaching of accounting profession in Anyang Institute of Technology (North Campus) and Anyang University from August 2009 to September 2015, and served as the chief accountant in the finance department of Anyang University from October 2015 to September 2018, during which time she was responsible for coordination of auditing work and verification with attorney as a member of the Company's listing team, and subsequently served as the director of the audit office of the School Sponsor from October 2018 to January 2023, responsible for the audit of external disclosure.

COMPANY SECRETARY

Ms. Yu Anne (余安妮) was appointed as the company secretary of the Company on 30 August 2022. Ms. Yu is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 20 years experiences in corporate secretarial and corporate governance field. Ms. Yu is currently acting as the company secretary of several companies listed on the Main Board of the Stock Exchange. Ms. Yu holds a bachelor's degree from University of Huddersfield in the United Kingdom and a Master of Law degree from The University of Law in the United Kingdom. Ms. Yu is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Yu also holds a Practitioner's Endorsement from The Hong Kong Chartered Governance Institute.

CHANGES TO DIRECTORS' INFORMATION

There is no change to the information of the Directors since the publication of the last annual report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report of Directors

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

DIRECTORS

The Directors who held office during the Reporting Period and up to the Latest Practicable Date are:

Executive Directors
Mr. Hou Junyu (侯俊宇)
Ms. Jiang Shuqin (蔣淑琴)
Ms. Zhang Jie (張潔) *(Chief Executive Officer)*

Non-executive Director
Mr. Hou Chunlai (侯春來) *(Chairman)*

Independent Non-executive Directors
Dr. Jin Xiaobin (金曉斌)
Ms. Fok, Pui Ming Joanna (霍珮鳴)
Mr. Lau, Tsz Man (劉子文)

Biographical details of the Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" on pages 20 to 27 of this annual report.

PRINCIPAL ACTIVITIES

The Group's main operating activities include its wholly-owned sponsored schools, including Anyang University, Anyang University Yuanyang Campus, Shangqiu University, Shangqiu University Kaifeng Campus, Jiankang College and Jingzhou College (formerly known as Hubei College), which were established in the PRC and engaged in private higher education. The Group also participates in the operation of Tianping College, an independent college of Suzhou University of Science and Technology in Jiangsu Province.

An analysis of the principal activities of the Group during the Reporting Period is set out in Note 35 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Events after the Reporting Period" in the section headed "Management Discussion and Analysis" in this annual report.

Report of Directors

FIVE YEAR FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the consolidated financial statements, is set out on page 5 of this annual report. This summary does not form part of the consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the Reporting Period and details of the Shares issued during the Reporting Period are set out in Note 27 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 35 to the consolidated financial statements.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Company is committed to maintaining a good relationship with teachers, students and other stakeholders that have a significant impact on the Company and on which the Company's success depends. Further details are set out in the "Environmental, Social and Governance Report" section of this annual report (the "**ESG Report**").

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. 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. The Company's environmental policies and performance, compliance with relevant laws and regulations, the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends are discussed in the ESG Report.

The Group will review the environmental policy from time to time and consider implementing further environmentally friendly measures and practices in the operation of the Group's businesses.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- our operations and business prospects;

Report of Directors

- our business and operating strategies and our ability to implement such strategies;
- our ability to develop and manage our operations and business;
- our ability to maintain or increase student enrolment in our colleges;
- our ability to maintain or increase tuition fees;
- our ability to maintain or increase utilisation of our facilities;
- our capital expenditure programmes and future capital requirements;
- our future general and administrative expenses;
- competition for, among other things, capital, technology and skilled personnel (including teachers and staff);
- our ability to control costs;
- our ability to remit dividends; and
- changes to regulatory and operating conditions in the industry and geographical markets in which we operate.

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

PRE-EMPTIVE RIGHTS

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

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.

WHISTLEBLOWING POLICY

The Group has established a whistleblowing policy for, its employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, about possible improprieties in any matter related to the Company. Our staff can anonymously report any suspected corrupt incidents to the Company.

Report of Directors

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.

PROPERTY, PLANT AND EQUIPMENT

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

The book value of the properties held by the Group for owner occupation at 31 August 2025 as included in the consolidated financial statements in this annual report was approximately RMB3,226.46 million.

DONATIONS

During the Reporting Period, the Group made charitable donations of approximately RMB80,000 (2024: RMB139,000).

DEBENTURES ISSUED

The Group did not issue any debenture during the Reporting Period and up to the Latest Practicable Date.

EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Option Scheme and the Share Award Scheme, no equity-linked agreements were entered into by the Group, or existed, during the Reporting Period.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 August 2025 (2024: RMB0.0924 (equivalent to HK$0.1) per ordinary share).

No Shareholder has waived or agreed to waive any dividends for the year ended 31 August 2025.

Report of Directors

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2026 AGM will be held on Thursday, 5 February 2026.

For the purpose of determining the Shareholder's entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 2 February 2026 to Thursday, 5 February 2026, both days inclusive, during which period no transfer of Shares 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 share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 30 January 2026.

PERMITTED INDEMNITY

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

Such permitted indemnity provision has been in force for the Reporting Period. The Company has also taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Company during the Reporting Period are set out in Note 34 to the consolidated financial statements. The distributable reserves of the Company as at 31 August 2025 were RMBnil.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 August 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and in Note 26 to the consolidated financial statements.

TAX RELIEF AND EXEMPTION

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

MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily are our students. Our five largest customers accounted for less than 30% of our revenue for each of the years ended 31 August 2024 and 2025. We did not have any single customer who accounted for more than 5% of our revenue for each of the years ended 31 August 2024 and 2025.

Report of Directors

Our suppliers primarily comprise suppliers of textbooks, uniforms and teaching equipment, and construction companies for building campus facilities. For the years ended 31 August 2024 and 2025, purchases from our five largest suppliers amounted to RMB235.6 million and RMB196.9 million, respectively, which represented 96.9% and 91.8% of our total purchases in the respective periods. During the same periods, purchases from our largest supplier amounted to RMB138.1 million and RMB102.5 million, respectively, which represented 56.8% and 47.8% of our total purchases in the respective periods. Our largest supplier during the Reporting Period is a construction company that we engaged to construct campus facilities.

None of our Directors, their respective associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, has any interest in any of our five largest suppliers during the Reporting Period and up to the Latest Practicable Date.

CONTINUING DISCLOSURE OBLIGATIONS UNDER RULES 13.20, 13.21 AND 13.22 OF THE LISTING RULES

Save as disclosed in the section headed "Loan Agreements", the Company did not have any continuing disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules in respect of the Reporting Period.

SHARE SCHEMES

The Company has two existing share schemes, namely the Pre-IPO Share Option Scheme and the Share Award Scheme. The Company has complied, and will continue to comply, with Chapter 17 of the Listing Rules.

No options or awards were granted pursuant to the Pre-IPO Share Option Scheme and the Share Award Scheme during the Reporting Period. Accordingly, the number of Shares that may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Pre-IPO Share Option Scheme and the Share Award Scheme divided by the weighted average number of issued Shares (excluding treasury shares) for the Reporting Period is 0. Further details of each of the share schemes of the Company are set out below.

Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme effective from 9 August 2018. No further options would be granted under the Pre-IPO Share Option Scheme subsequent to the Listing Date.

Purpose

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

Report of Directors

Eligible Participants

Eligible participants include persons belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group: (i) any directors and employees of any member of our Group (including nominees and/or trustees of any employee benefit trusts established for them); and (ii) any advisers, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

Maximum Number of Shares Available for Grant and Issue

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Share Option Scheme at any time shall not exceed 35,950,000 Shares, representing approximately 3% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

No further options would be granted under the Pre-IPO Share Option Scheme subsequent to the Listing Date. Accordingly, no options were available for grant under the Pre-IPO Share Option Scheme as at 1 September 2024 and 31 August 2025, respectively.

Given that no further options would be granted under the Pre-IPO Share Option Scheme, the outstanding number of options would be equivalent to the number of new Shares available for issue under the Pre-IPO Share Option Scheme. As at the Latest Practicable Date, there were outstanding share options of 32,550,000 Shares, representing approximately 2.71% of the issued share capital (excluding treasury shares) of the Company, granted to 20 participants under the Pre-IPO Share Option Scheme.

Maximum Entitlement of Participant

There is no specified maximum entitlement of each eligible participant.

Exercise Period

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

Vesting Period

The vesting period of an option may be determined by the Board in accordance with the terms of the Pre-IPO Share Option Scheme.

Payment on Acceptance of Share Option

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

Report of Directors

Determination of Exercise Price

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

Remaining Life

The Pre-IPO Share Option Scheme is valid and effective for a period of 20 years from 9 August 2018 until 9 August 2038. The remaining life of the Pre-IPO Share Option Scheme is approximately 13 years.

Outstanding Share Options

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Scheme. For further details on the movement of the options during the Reporting Period, please see Note 28 to the consolidated financial statements.

Grantee	Position held with the Group	Date of grant	Exercise period	Vesting period	Exercise price	Outstanding as at 1 September 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 August 2025
Director											
Chairman Hou	Non-executive Director and chairman of the Board	9 August 2018	20 years from the date of grant	3 to 10 years from the date of grant	HK$0.00001	8,000,000	–	–	–	–	8,000,000
Ms. Jiang	Executive Director	9 August 2018	20 years from the date of grant	3 to 10 years from the date of grant	HK$0.00001	8,000,000	–	–	–	–	8,000,000
Mr. Hou	Executive Director	9 August 2018	20 years from the date of grant	3 to 10 years from the date of grant	HK$0.00001	6,000,000	–	–	–	–	6,000,000
Employee grantees in aggregate		9 August 2018	20 years from the date of grant	3 to 10 years from the date of grant	HK$0.00001	10,550,000	–	–	–	–	10,550,000
TOTAL						32,550,000		–			32,550,000

Report of Directors

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme by the resolutions in writing of the Shareholders on 24 August 2018.

Purpose

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

Eligible Participants

Eligible persons include any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an award.

Maximum Number of Shares Available for Grant

The aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 84,000,000 Shares (representing 7% of the aggregate nominal amount of the issued capital of the Company as at the Listing Date) without further Shareholders' approval (the "**Share Award Scheme Limit**").

No awards have been granted since the adoption of the Share Award Scheme. Accordingly, as at 1 September 2024 and 31 August 2025, 84,000,000 Shares, representing 7% of the issued share capital (excluding treasury shares) of the Company, were available for grant under the Share Award Scheme, respectively.

Maximum Number of Shares Available for Issue

Under the Share Award Scheme Limit, new Shares of up to 84,000,000 Shares may be issued by the Company within ten years of the Listing Date.

No awards have been issued since the adoption of the Share Award Scheme. Accordingly, as at the Latest Practicable Date, 84,000,000 Shares, representing 7% of the issued share capital (excluding treasury shares) of the Company, were available for issue under the Share Award Scheme.

Maximum Entitlement of Participant

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

Vesting Period

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

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

Payment on Acceptance of Award

The Board or its delegate(s) may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such terms and conditions of an award.

Remaining Life

The Share Award Scheme shall be valid and effective for a period of 10 years (after which no Awards will be granted), and thereafter for so long as there are any non-vested Shares granted prior to the expiration of the Share Award Scheme, in order to give effect to the vesting of such Shares or otherwise as may be required in accordance with the rules of the Share Award Scheme. The remaining life of the Share Award Scheme is approximately 3 years.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee of the Company to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO Share Option Scheme and the Share Award Scheme. Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 12 to the consolidated financial statements.

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

Report of Directors

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

As at 31 August 2025, the interests and short positions of our Directors or chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporation (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 Part XV of the SFO (including the interests and short positions which the Director or chief executives of our Company is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Company

Name of Director	Capacity/Nature of Interest	Relevant Company	Number of Shares[4]	Approximate Percentage of Shareholding in the Company[1]
Mr. Hou	Interest in a controlled corporation	Chunlai Investment[2]	900,000,000(L)	75.00%
	Share options granted under the Pre-IPO Share Option Scheme	N/A	6,000,000(L)	0.50%
Chairman Hou	Share options granted under the Pre-IPO Share Option Scheme	N/A	8,000,000(L)	0.67%
	Interest of spouse[3]	N/A	8,000,000(L)	0.67%
Ms. Jiang	Share options granted under the Pre-IPO Share Option Scheme	N/A	8,000,000(L)	0.67%
	Interest of spouse[3]	N/A	8,000,000(L)	0.67%

Notes:

(1) The calculation is based on the total number of 1,200,000,000 Shares in issue (excluding treasury shares) as at 31 August 2025. The Company has no treasury shares as at 31 August 2025.

(2) Chunlai Investment is wholly-owned by Mr. Hou. Thus, Mr. Hou is deemed to be interested in the Shares in which Chunlai Investment is interested by virtue of the SFO.

(3) As Chairman Hou and Ms. Jiang are spouses, each of them is deemed to be interested in the interest held by them by virtue of the SFO.

(4) The Letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.

Report of Directors

Interest in Associated Corporations

Name of Director	Capacity/Nature of Interest	Name of associated corporation	Amount of issued share capital/registered capital/sponsor capital in the associated corporation	Percentage of holding in the associated corporation
Mr. Hou	Beneficial owner	Chunlai Investment	US$1	100.00%
	Beneficial owner	The PRC Holdco	RMB30,000,000	100.00%
	Beneficial owner[1]	The School Sponsor	RMB113,740,000	100.00%
Chairman Hou	Beneficial owner[1] and interest of spouse[2]	The School Sponsor	RMB33,780,000	29.70%
Ms. Jiang	Beneficial owner[1] and interest of spouse[2]	The School Sponsor	RMB33,780,000	29.70%

Notes:

(1) The sponsor interest of the School Sponsor is held as to 69.3% by Mr. Hou (RMB78,820,000), as to 19.8% by Chairman Hou (RMB22,520,000), as to 9.9% by Ms. Jiang (RMB11,260,000) and as to 1% by the PRC Holdco (RMB1,140,000). Mr. Hou, Chairman Hou and Ms. Jiang agreed that Mr. Hou would effectively own the sponsor interests of the School Sponsor held by Chairman Hou and Ms. Jiang.

(2) As Chairman Hou and Ms. Jiang are spouses, each of them is deemed to be interested in the interest held by them by virtue of the SFO.

Save as disclosed above, as at 31 August 2025, so far as is known to the Directors or the chief executives of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Report of Directors

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

As at 31 August 2025, so far as the Directors are aware, the following persons (other than our Directors or chief executives of our Company) or entities had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of Shares[3]	Approximate Percentage of Shareholding[1]
Chunlai Investment[2]	Beneficial owner	900,000,000(L)	75.00%

Notes:

(1) The percentages are calculated on the basis of 1,200,000,000 Shares in issue (excluding treasury shares) as at 31 August 2025. The Company has no treasury shares as at 31 August 2025.

(2) Chunlai Investment is wholly-owned by Mr. Hou. Thus, Mr. Hou is deemed to be interested in the same number of shares in which Chunlai Investment is interested by virtue of the SFO.

(3) The Letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.

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

DIRECTORS' SERVICE CONTRACTS

Each of the executive and non-executive Directors has entered into a service contract with our Company for a period of three years from the date of his/her appointment as an executive Director or a non-executive Director (as the case may be), which shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

Each of our independent non-executive Directors has entered into an appointment letter with our Company for a period of three years, which shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

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

Report of Directors

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' RETIREMENT BENEFITS

During the Reporting Period, no retirement benefits were paid to or receivable by the Directors in respect of their services as Directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2024: nil).

DIRECTORS' TERMINATION BENEFITS

During the Reporting Period, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the Directors, nor are any payable (2024: nil).

CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the Reporting Period, no consideration was provided to or receivable by third parties for making available Directors' services (2024: nil).

INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOR OF DIRECTORS, CONTROLLED BODIES CORPORATE BY AND CONNECTED ENTITIES WITH SUCH DIRECTORS

During the Reporting Period, there were no loans, quasi-loans and other dealings in favour of the Directors, controlled bodies corporate by and connected entities with such Directors (2024: nil).

Report of Directors

CONTROLLING SHAREHOLDERS' AND DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, neither the Controlling Shareholders nor any of the Directors had any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

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.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders during the Reporting Period.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

CONNECTED TRANSACTIONS

Non-Exempt Continuing Connected Transactions

We have entered into a number of continuing agreements and arrangements with our connected persons in our ordinary and usual course of business, which constitute continuing connected transactions under the Listing Rules. We set out below details of the continuing connected transactions for our Group.

Report of Directors

Contractual Arrangements

Reasons for the Contractual Arrangements

We currently conduct our private education business through our consolidated affiliated entities in the PRC because PRC laws and regulations, or the implementation of those laws and regulations by the relevant government authorities, generally prohibit or restrict foreign ownership in the private education industry in the PRC. Currently, PRC laws and regulations restrict the operation of higher education institutions to Sino-foreign cooperative joint venture ownership, in addition to imposing a qualification requirement on the foreign owners. Further, government approvals in respect of Sino-foreign cooperative joint venture ownership in the private education sector have, with very limited exceptions, been withheld in practice. The Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our consolidated affiliated entities, have been narrowly tailored to achieve our business purpose and minimise the potential conflict with relevant PRC laws and regulations.

In order to comply with the PRC laws and regulations as set out above while availing ourselves to international capital markets and maintaining effective control over all of our operations, our wholly-owned subsidiary, WFOE, entered into various agreements that together constitute the Contractual Arrangements with, among others, our consolidated affiliated entities, under which substantially all economic benefits arising from the businesses of our consolidated affiliated entities are transferred to WFOE to the extent permitted under the PRC laws and regulations by means of service fees payable by our consolidated affiliated entities to WFOE.

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group's legal structure and business, that such transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the respective agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Risks relating to the Contractual Arrangements

The Company believes the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 43 to 50 of the Prospectus.

- The PRC government may find that the agreements that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, which may subject us to severe penalties and our business may be materially and adversely affected.

- Our current corporate structure and business operations may be affected by the Foreign Investment Law.

- The Contractual Arrangements may not be as effective in providing control over our consolidated affiliated entities as direct ownership.

- The beneficial owners of our consolidated affiliated entities may have conflicts of interest with us, which may materially and adversely affect our business and financial condition.

Report of Directors

- Our exercise of the option to acquire the equity interests or sponsor interests (as the case may be) of our consolidated affiliated entities may be subject to certain limitations and we may incur substantial costs.

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

- The Contractual Arrangements may be subject to the scrutiny of the PRC tax authorities and additional tax may be imposed, which may materially and adversely affect our results of operations and value of your investment.

- Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

- The School Sponsor is a private non-enterprise entity (民辦非企業單位), the sponsor interest of which is not capable of being pledged in favour of WFOE under PRC laws. Our Contractual Arrangements implement alternative arrangements that may not achieve the level of protection equivalent to typical contractual arrangements where the school sponsor is an enterprise, the equity interest of which is subject to equity pledge arrangements.

- We rely on dividend and other payments from the WFOE to pay dividends and other cash distributions to our Shareholders and any limitation on the ability of the WFOE to pay dividends to us would materially and adversely limit our ability to pay dividends to our Shareholders.

- If any of our consolidated affiliated entities becomes subject to winding up or liquidation proceedings, we may lose the ability to enjoy certain important assets, which could negatively impact our business and materially and adversely affect our ability to generate revenue.

Contractual Arrangements in Place

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

(a) acceptance letter dated 1 June 2021 executed by Jingzhou College, the signing of which is a requirement of the exclusive management consultancy and business cooperation agreement in (h) and pursuant to which Jingzhou College was added as a subsidiary entity of the PRC Holdco;

(b) acceptance letter dated 9 June 2020 executed by Jiankang College, the signing of which is a requirement of the exclusive management consultancy and business cooperation agreement in (h) and pursuant to which Jiankang College was added as a subsidiary entity of the PRC Holdco;

(c) acceptance letter dated 7 November 2018 executed by Hubei Chunlai Education, the signing of which is a requirement of the exclusive management consultancy and business cooperation agreement in (h) and pursuant to which Hubei Chunlai Education was added as a subsidiary entity of the PRC Holdco;

(d) an irrevocable power of attorney dated 22 February 2018 executed by Mr. Hou, Chairman Hou and Ms. Jiang in favour of the PRC Holdco, pursuant to which the PRC Holdco (or its designated person(s)) was appointed as attorney-in-fact to exercise all the rights of Mr. Hou, Chairman Hou and Ms. Jiang in relation to the School Sponsor at the discretion of the PRC Holdco (or its designated person(s));

(e) an irrevocable power of attorney dated 22 February 2018 executed by the PRC Holdco in favour of WFOE, pursuant to which WFOE (or its designated person(s)) was appointed as attorney-in-fact to exercise all the rights of the PRC Holdco in relation to the School Sponsor, Anyang University and Shangqiu University (including Shangqiu University Kaifeng Campus) at the discretion of WFOE (or its designated person(s));

(f) an irrevocable power of attorney dated 22 February 2018 executed by Mr. Hou in favour of WFOE, pursuant to which WFOE (or its designated person(s)) was appointed as attorney-in-fact to exercise all the rights of Mr. Hou in relation to the PRC Holdco at the discretion of WFOE (or its designated person(s));

(g) an irrevocable power of attorney dated 22 February 2018 executed by the School Sponsor in favour of WFOE, pursuant to which WFOE (or its designated person(s)) was appointed as attorney-in-fact to exercise all the rights of the School Sponsor in relation to Anyang University and Shangqiu University (including Shangqiu University Kaifeng Campus) at the discretion of WFOE (or its designated person(s));

(h) an exclusive management consultancy and business cooperation agreement dated 22 February 2018 entered into by and between (i) WFOE, (ii) the PRC Holdco, (iii) the subsidiary entities of the PRC Holdco as described in the exclusive management consultancy and business cooperation agreement, including the School Sponsor, Anyang University and Shangqiu University (including Shangqiu University Kaifeng Campus), the list of which is to be updated from time to time pursuant to the exclusive management consultancy and business cooperation agreement to include entities that the PRC Holdco invests in and controls (including via contractual arrangements), including but not limited to companies, schools and related entities which the PRC Holdco and the School Sponsor directly or indirectly hold more than 50% investment interests thereof ((ii) and (iii) collectively, the "**Consolidated Affiliated Entities**"), and (iv) Mr. Hou, pursuant to which WFOE agreed to provide to the Consolidated Affiliated Entities exclusive corporate management consultancy, educational management consultancy, intellectual property licensing as well as technical and business support, and in return, the Consolidated Affiliated Entities shall pay service fees to WFOE;

(i) an exclusive call option agreement dated 22 February 2018 entered into by and between WFOE, Mr. Hou, Chairman Hou, Mr. Jiang, the PRC Holdco and the School Sponsor, pursuant to which WFOE (or its designated third party) was unconditionally and irrevocably granted an exclusive option to purchase all or part of the equity interests or sponsor interests (as the case may be) in any of the PRC Holdco, the School Sponsor, Anyang University and Shangqiu University (including Shangqiu University Kaifeng Campus);

(j) an equity pledge agreement dated 22 February 2018 entered into by and between WFOE, Mr. Hou and the PRC Holdco, pursuant to which Mr. Hou unconditionally and irrevocably pledged all of his equity interests in the PRC Holdco to WFOE;

(k) a receivables pledge agreement dated 22 February 2018 entered into by and between WFOE, Shangqiu University (including Shangqiu University Kaifeng Campus) ("**Shangqiu University**"), Anyang University (together with Shangqiu University, the "**Schools**") and the School Sponsor, pursuant to which the School Sponsor and the Schools agreed to, among other things, grant first priority pledge to WFOE over, (i) the Schools' existing and future receivables from tuition fees and boarding fees, (ii) the Schools' existing and future creditor's rights arising from leasing the Schools' properties, (iii) the Schools' existing and future creditor's rights arising from its services and (iv) the relevant proceeds received by the School Sponsor from third parties due to sale, transfer, assignment or any other forms of disposal of the sponsor interests in the schools held by it.

Report of Directors

During the Reporting Period, there was no material change in the Contractual Arrangements. There was also no termination of the Contractual Arrangements, nor was there any failure to terminate when the restrictions that led to the adoption of the Contractual Arrangements are removed.

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

All of the Contractual Arrangements are subject to the restrictions as set out on pages 183 to 190 of the Prospectus.

Mitigation actions taken by the Company

The Company's management works closely with Mr. Hou and its external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

Revenue and Assets subject to the Contractual Arrangements

The revenue, profit before tax and total assets subject to the Contractual Arrangements are set out as follows:

	Year ended 31 August 2025 *RMB'000*	Year ended 31 August 2024 *RMB'000*
Revenue	**1,790,614**	1,631,496
Profit before tax	**876,821**	819,390

	As at 31 August 2025 *RMB'000*	As at 31 August 2024 *RMB'000*
Total assets	**6,472,868**	6,221,226

For the Reporting Period, the revenue and profit before tax subject to the Contractual Arrangements amounted to approximately 100% (2024: 100%) and 100% (2024: 100%) of the revenue and profit before tax of the Group.

As at 31 August 2025, the total assets subject to the Contractual Arrangements amounted to approximately 84% (2024: 86%) of the total assets of the Group.

Connected Person

Mr. Hou is an executive Director and our Controlling Shareholder, and therefore is a connected person of our Company under Rule 14A.07(1) of the Listing Rules.

Report of Directors

Waiver from the Stock Exchange

The Stock Exchange has granted the Company a waiver from strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; and (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules.

Annual Review and Confirmation from Independent Non-executive Directors

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

Annual Review and Confirmations from the Company's Independent Auditor

ZHONGHUI ANDA CPA Limited ("**Zhonghui Anda"**), the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Zhonghui Anda has issued their unqualified letter to the Board containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with the Listing Rules and confirming the matters as stated in Rule 14A.56 of the Listing Rules.

Zhonghui Anda has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into or existing during the Reporting Period:

(a) nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;

(b) nothing has come to their attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Contractual Arrangements governing such transactions; and

(c) with respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes the Auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap, if any, as set by the Company.

Save as disclosed above, during the Reporting Period, no related party transactions disclosed in Note 32 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the requirements in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group or which existed during the Reporting Period.

Report of Directors

QUALIFICATION REQUIREMENT

On 15 March 2019, the National People's Congress promulgated the Foreign Investment Law (中華人民共和國外商投資法) ("**FIL**"), which came into effect on 1 January 2020. On 26 December 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law (中華人民共和國外商投資法實施條例) (the "**Implementation Regulations**"), which came into effect on 1 January 2020. The FIL and the Implementation Regulations replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The FIL and the Implementation Regulations embody an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

Though the FIL does not explicitly classify contractual arrangements as a form of foreign investment, it contains a catch-all provision under the definition of "foreign investment", which includes investments made by foreign investors in China through means stipulated in laws or administrative regulations or other methods prescribed by the State Council without elaboration on the meaning of "other methods". The Implementation Regulations is also silent on whether foreign investment includes contractual arrangements. There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements will not be materially and adversely affected in the future due to changes in PRC laws and regulations. The Board will continuously monitor any future laws, administrative regulations or provisions promulgated by the State Council in relation to the contractual arrangements and seek guidance from our PRC Legal Adviser to ensure compliance with all relevant rules and regulations in the PRC at all times.

Updates in Relation to the Qualification Requirement

The foreign investor in a Sino-foreign joint venture school for PRC students at higher education institutions must be a foreign educational institution with relevant qualification and high quality of education (the "**Qualification Requirement**"). The foreign portion of the total investment in a sino-foreign joint venture private school should be below 50% (the "**Foreign Ownership Restriction**") and domestic party of the sino-foreign joint venture shall play a dominant role (the "**Foreign Control Restriction**").

On the basis that (a) the principals and other chief executive officers of our PRC Operating Schools, Tianping College are PRC nationals; and (b) the representatives or the directors of our PRC Operating Schools and Tianping College are appointed by PRC entities, our PRC Legal Adviser is of the view that our PRC Operating Schools and Tianping College are in full compliance with the Foreign Control Restriction as stipulated above.

Our PRC Legal Adviser has advised that there are currently no applicable PRC laws and regulations providing clear guidance or interpretation as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant education authority that it meets the Qualification Requirement.

Report of Directors

Efforts and Actions Undertaken to Comply with the Qualification Requirement

The Group is implementing a business plan with a view to expanding our education operations overseas. The Group believes that such business plan represents our commitment and a meaningful endeavour to demonstrate compliance with the Qualification Requirement.

The Group is also in the process of communicating or negotiating with certain experienced and reputational overseas education service providers in various forms of potential cooperation, including but not limited to expanding our school network abroad. Our subsidiary in Hong Kong, China Chunlai Education (Hong Kong) Limited (中國春來教育(香港)有限公司), will serve as the main control hub of our overseas business and will be responsible for, among other things:

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

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

3. holding our overseas intellectual property rights and licensing them to our international partners; and

4. recruiting and employing overseas education business professionals and advisers outside of PRC.

REGULATORY UPDATE

On 7 November 2016, the 2016 Decision, namely the Decision on Amending the Law for Promoting Private Education of the PRC (《關於修改民辦教育促進法的決定》) was approved by the Standing Committee of the National People's Congress, which became effective on 1 September 2017. The 2016 Decision has made certain amendments to the Law for Promoting Private Education. According to the 2016 Decision, school sponsors of private schools can choose to establish schools as non-profit or for-profit entities, with the exception of schools providing compulsory education, which can only be established as non-profit entities.

Under the 2016 Decision, a private school electing to re-register as a for-profit school must carry out financial settlement procedures, clarify property ownership, pay relevant taxes and fees, and re-apply for registration. The specific registration requirements for existing private schools shall be formulated by the provincial governments. Pursuant to the Henan Implementation Opinions, Private HEIs in Henan Province shall complete the re-registration procedures by the end of year 2022. Despite the issuance of the Henan Implementation Opinions, the Hubei Implementation Opinions, Implementation Opinions of Jiangsu Government on Encouraging Social Groups to Engage in Education and Promoting the Healthy Development of Private Education (江蘇省政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見) and Implementation Rules for Classification and Registration of Private Schools in Jiangsu Province (江蘇省民辦學校分類登記實施細則), the specific requirements, policies and procedures for re-registration as for-profit or non-profit private schools remain unclear in Henan, Hubei and Jiangsu Provinces. As such, we are unable to quantify the impact that the 2016 Decision may have on our business operations.

As of 31 August 2025, there was no update in relation to the Group's re-registration as a for-profit or non-profit private school.

Report of Directors

The Regulations on the Implementation of the Law for Promoting Private Education (《民辦教育促進法實施條例》) (the "**Private Education Regulation**") was initially issued by the State Council on 5 March 2004 as the primary implementing regulation of the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》). After the revision of the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》) in 2016, the State Council started to revise the Private Education Regulation. On 14 May 2021, the State Council promulgated the 2021 Revised Private Education Regulations, which have become effective since 1 September 2021. The 2021 Revised Private Education Regulations provide that

(i) a non-profit private school shall use the accounts filed with the competent authorities for transactions of fees collection and other activities, and a for profit private school shall deposit all of the school's income into a designated account of its own;

(ii) private schools providing compulsory education may not transact with connected parties, while transactions between other private schools and their connected parties should follow the principles of transparency, fairness and justice, be reasonably priced and be duly approved internally;

(iii) a for-profit private school providing education for academic credentials shall have such amount of registered capital commensurate with its type, level and operating scale;

(iv) school sponsors or actual controllers who operate and/or control multiple private schools shall have sufficient resources and capacities and take the management and supervisory responsibilities for those private schools they operate; and

(v) the school sponsor of an "existing private school" may, in accordance with its lawful rights and interests, reach agreements with its succeeding school sponsor on the proceeds from the change of school sponsor; the change of controlling shareholder(s) or actual controller(s) shall be filed with relevant government authorities and issue public announcement.

UPDATE ON NON-COMPLIANCE MATTERS

Buildings

As of 31 August 2025, we owned buildings with a total ground floor area of approximately 0.93 million square metres for which we have not obtained building ownership certificates, primarily because they were not constructed in full compliance with applicable rules and regulations in the PRC. We commenced construction of these buildings on land when the relevant land use right certificates were still under application, as our management believed that it was a practice acceptable to the relevant local authorities and in compliance with local policies.

We are proactively liaising with the relevant government authorities with a view to complying with the relevant requirements as soon as practicable. As of 31 August 2025, we were in the process of applying for the relevant construction land use planning permits (建設用地規劃許可) and construction planning permits (建設工程規劃許可) for our non-compliant buildings.

We consider that the non-compliance issues concerning our buildings will not have any material adverse effect on our operations as a whole.

The Company undertakes that it will rectify all non-compliances in a timely manner and will update the progress of the rectification of the non-compliance incidents in the Company's subsequent interim and annual reports.

Report of Directors

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, save as disclosed in this annual report, there was no material breach of, or non-compliance, with applicable laws and regulations by the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 Reporting Period. The Company did not hold any treasury shares as at 31 August 2025.

MATERIAL LITIGATION

The Group was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

Report of Directors

TREASURY POLICY

The Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business operations; and (ii) maintain adequate liquidity to cover the Group's operation cash flows, and administrative expenses. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company had maintained the prescribed percentage of public float under the Listing Rules.

AUDITOR

The Company had appointed ZHONGHUI ANDA CPA Limited as the auditor of the Group. The consolidated financial statements of the Group for the Reporting Period have been audited by ZHONGHUI ANDA CPA Limited, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. There have been no change in the auditor of the Group in any of the preceding three years.

By the order of the Board
Mr. Hou Chunlai
Chairman

Hong Kong
28 November 2025

Corporate Governance Report

The Board is pleased to present the corporate governance report for the Company for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and fully complied with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules during the Reporting Period.

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

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted 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 and up to the Latest Practicable Date.

BOARD OF DIRECTORS

The Board currently comprises seven members, consisting of three executive Directors, one non-executive Director and three independent non-executive Directors.

During the Reporting Period and up to the Latest Practicable Date, the composition of the Board comprised the following Directors:

Executive Directors
Mr. Hou Junyu (侯俊宇)
Ms. Jiang Shuqin (蔣淑琴)
Ms. Zhang Jie (張潔) *(Chief Executive Officer)*

Non-executive Director
Mr. Hou Chunlai (侯春來) *(Chairman)*

Independent non-executive Directors
Dr. Jin Xiaobin (金曉斌)
Ms. Fok, Pui Ming Joanna (霍珮鳴)
Mr. Lau, Tsz Man (劉子文)

Corporate Governance Report

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 20 to 27 of this annual report.

Ms. Jiang is the spouse of Chairman Hou and mother of Mr. Hou. Mr. Hou is the son of Chairman Hou and Ms. Jiang. Save as disclosed, none of the members of the Board is related to one another.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The position of Chairman is held by Chairman Hou and the position of Chief Executive Officer was held by Mr. Hou since the Listing Date until 25 September 2020. Ms. Zhang Jie was appointed as the Chief Executive Officer in place of Mr. Hou immediately after the conclusion of the annual general meeting of the Company held on 25 September 2020. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and the daily management and operations generally. The respective responsibilities are clearly defined and set out in writing.

BOARD MEETINGS

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

During the Reporting Period, 4 Board meetings were held. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the Corporate Governance Code.

Notice of not less than 14 days is given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and Board committee meetings, reasonable notice is given. The agenda and accompanying Board papers are despatched to the Directors or Board committee members at least three days before the meeting to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings.

Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and record. Minutes of the Board meetings are open for inspection by the Directors.

During the Reporting Period, the Company convened one general meeting.

Corporate Governance Report

A summary of the attendance record of the Directors at Board meetings, committee meetings and general meetings during the Reporting Period and up to the Latest Practicable Date is set out in the following table below:

	Number of meeting(s) attended/number of meeting(s) held during the Reporting Period				
Name of Director	**Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**General Meeting**
Executive Directors					
Mr. Hou Junyu	4/4	-/-	-/-	2/2	1/1
Ms. Jiang Shuqin	4/4	-/-	2/2	-/-	1/1
Ms. Zhang Jie	4/4	-/-	-/-	-/-	1/1
Non-executive Director					
Mr. Hou Chunlai	4/4	-/-	-/-	-/-	1/1
Independent Non-executive Directors					
Dr. Jin Xiaobin	2/4	2/2	-/-	2/2	1/1
Ms. Fok, Pui Ming Joanna	2/4	2/2	2/2	2/2	1/1
Mr. Lau, Tsz Man	2/4	2/2	2/2	-/-	1/1

Apart from regular Board meetings, the Chairman of the Board also held meetings with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has at all times during the Reporting Period complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10(A) to have at least three independent non-executive Directors representing one-third of the Board, with one of them having appropriate professional qualifications or accounting or related financial management expertise.

The Board has received from each of the independent non-executive Directors a written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent.

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. The 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. The Board has reviewed the implementation and effectiveness of such mechanisms during the Reporting Period and on an annual basis.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive and non-executive Directors has entered into a service contract with the Company. The initial term of his/her service contract shall commence from the date of his/her appointment as an executive Director or a non-executive Director (as the case may be) and continue for a period of three years after or until the third annual general meeting of the Company, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service

Corporate Governance Report

contract or by either party giving to the other not less than three months' prior notice in writing. Each of the independent non-executive Directors has entered into an appointment letter with our Company for a period of three years from the date of his/her appointment letter, which shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

In accordance with Article 108(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Ms. Zhang Jie, Dr. Jin Xiaobin and Ms. Fok, Pui Ming Joanna will retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

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

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

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

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the investment committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. Each of these committees are established with defined written terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange, respectively (as required).

Audit Committee

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control system of the Group, review and monitor external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, review and approve connected transactions and to advise the Board.

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 Rules 3.10(2) and 3.21 of the Listing Rules.

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During the Reporting Period, the Audit Committee met 2 times to review, among others, the annual results for the year ended 31 August 2024 and the interim results for the six months ended 28 February 2025 in accordance with code provision D.3.3(e)(i) of the Corporate Governance Code and the terms of reference of the Audit Committee.

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

Remuneration Committee

The Company has established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the executive Directors and other senior management, including benefits in kind, pension rights and compensation payments (e.g. compensation payable for loss or termination of their office or appointment), the remuneration of non-executive Director, and to review and/or approve matters relating to the share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee comprises one executive Director, namely Ms. Jiang, and two independent non-executive Directors, namely Ms. Fok, Pui Ming Joanna and Mr. Lau, Tsz Man. Ms. Fok, Pui Ming Joanna is the chairlady of the Remuneration Committee.

During the Reporting Period, the Remuneration Committee met 2 times with all members of the committee attended (i) to review the terms of Directors' service contracts and the annual Director's fee; (ii) to assess the performance and review the remuneration policy and package of the executive Directors and senior management of the Group, and to review the remuneration of the non-executive Director, and to make recommendations to the Board in relation to the above. No material matters relating to the Pre-IPO Share Option Scheme and Share Award Scheme were reviewed and/or approved by the Remuneration Committee during the Reporting Period as no grants were made under either share scheme.

Details of the remuneration payable to each Director and senior management of the Company for the Reporting Period are set out in Note 13 to the consolidated financial statements.

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

Remuneration bands (RMB)	Number of persons
1,000,001 to 1,500,000	1

Corporate Governance Report

Nomination Committee

The Company has established the Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to review the structure, size and composition (including the gender, age, skills, knowledge , independence, and experience), diversity of the Board and to assist the Board in maintaining a Board skills matrix at least annually and make recommendations to the Board on the appointment of Directors and management of Board succession. The Nomination Committee will also consider if each of the Directors have sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers.

The Nomination Committee comprises two independent non-executive Directors, namely Dr. Jin Xiaobin and Ms. Fok, Pui Ming Joanna, and one executive Director, namely Mr. Hou. Dr. Jin Xiaobin is the chairman of the Nomination Committee.

During the Reporting Period, the Nomination Committee met 2 times with all members of the committee attended to review the nomination policy of the Company and the structure, size and composition (including the skills, knowledge and experience) and diversity of the Board, to assess the independence of the independent non-executive Directors and to consider the Board succession of the Company and the qualifications of the Directors standing for re-election at the annual general meeting of the Company held in 2025.

Director Nomination Policy

The Company has adopted a director nomination policy (the "**Nomination Policy**") in accordance to the Corporate Governance Code, which sets out the procedure for the selection, appointment and re-appointment of Directors containing the selection criteria and the Board succession planning considerations.

The Nomination Policy aims to:

1. set out the criteria and process in the nomination and appointment of Directors;

2. ensure that the Board maintains a balance of skills, experience and diversity of perspectives appropriate to the Company; and

3. ensure the continuity of the Board and appropriate leadership at the Board level.

Nomination Procedures

(i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate with reference to the criteria as set out below to determine whether such candidate is qualified for directorship.

(ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(iv) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate with reference to the criteria as set out below to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Corporate Culture

Our educational philosophy revolves around the principles of moral character development and individual growth. We are dedicated to scientific progress, embracing innovation and reform, while upholding to the rule of law in education.

Our aim is to achieve substantial, innovative, and distinctive development, with a continuous focus on improving the quality of talent cultivation and our ability to serve society.

Grounded in our educational vision, we seek to empower individuals, improve family well-being and contribute to the betterment of society. Through our unwavering dedication, we aim to make a positive impact and drive social progress through education.

The Board closely monitors the implementation of corporate governance practices, risk management and internal control systems, and annually reviews the implementation, performance and reporting of the measures relating to Environmental, Social and Governance to ensure that our corporate governance is consistent with the corporate culture.

Board Diversity Policy

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse board to enhance the quality of its performance. The Board reviews the implementation and effectiveness of the Company's board diversity policy on an annual basis.

The Company recognizes and embraces the benefits of having a diverse board and views diversity at the board level as an important element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, board diversity will be considered from a number of aspects, including but not limited to gender, age, educational background, ethnicity, professional (including regional and industry) experience, skills, knowledge and length of service (the "**Diversity Perspectives**").

Corporate Governance Report

The Nomination Committee will meet at least annually to discuss and agree on measurable objectives for implementing diversity on the Board. The Board may adopt and/or amend from time to time (as applicable) such Diversity Perspectives and/or measurable objectives that are appropriate to the Company's business and Board succession planning, as applicable.

The Nomination Committee has the discretion to nominate any person as it considers appropriate and in assessing the suitability of a proposed candidate, the criteria set out below will be used as reference.

- Reputation and integrity;
- Experience in the directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas;
- Commitment in performing the duties as a director and a member of the Board committees (if applicable); and
- Board diversity, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge, relationship with other Board members and length of service, and the potential contributions that can be brought to the Board.

Gender Diversity

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 senior management as at the Latest Practicable Date:

	Female	Male
Board	3 (42.9%)	4 (57.1%)
Senior Management	2 (22.2%)	7 (77.8%)
Other Employees	3,451 (59.7%)	2,333 (40.3%)
Overall Workforce	3,456 (59.6%)	2,344 (40.4%)

The Board currently has three female Directors and as such considers that it 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 across our workforce with reference to Shareholders' expectations and 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 the near future.

The Company offers 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.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

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

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

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

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

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

Every 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 should participate in appropriate continuous professional development to develop and refresh their knowledge and skills as set out in code provision C.1.4 of the Corporate Governance Code. Internally facilitated briefings for the Directors would be arranged and reading material on relevant topics would be provided to the Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

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All Directors have provided to the Company a record of the training they received during the Reporting Period. The key methods of attaining continuous professional development by each of the Directors are summarized during the Reporting Period as follows:

Name of Director	Attending courses/ seminars/conferences	Reading books/journals/ articles
Executive Directors		
Mr. Hou Junyu	✓	✓
Ms. Jiang Shuqin	✓	✓
Ms. Zhang Jie	✓	✓
Non-executive Director		
Mr. Hou Chunlai	✓	✓
Independent Non-executive Directors		
Dr. Jin Xiaobin	✓	✓
Ms. Fok, Pui Ming Joanna	✓	✓
Mr. Lau, Tsz Man	✓	✓

DIVIDEND POLICY

In accordance with code provision F.1.1 of the Corporate Governance Code, the Company adopted a dividend policy which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration and payment of dividends to the Shareholders.

The Board shall have regard to the following factors of the Group when considering the declaration and payment of dividends:

- past financial results;
- past and forecasted cash flows;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- any restrictions on payment of dividends (including contractual restrictions, i.e. from financing-related agreements); and
- any other factors that the Board may consider relevant.

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AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Zhonghui Anda as the external auditor for the Reporting Period. A statement by Zhonghui Anda about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 172 to 176 of this annual report.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Zhonghui Anda during the Reporting Period are set out below:

Services rendered for the Company	Fees paid and payable *RMB '000*
Audit services:	
Audit services	1,831
Non-audit services:	
Interim review services	583
Total	**2,414**

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, who oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the Reporting Period. The Board had conducted a review of the effectiveness of the internal control system of the Company in respect of the Reporting Period and considered the system effective and adequate. The Board conducts a review of the effectiveness of the risk management and internal control system of the Company on an annual basis.

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

The Company has also established an investment committee as part of its internal control measure to exercise authority delegated from the Board to handle any issues or affairs related to the investment aspects of the Company. The investment committee provides additional oversight over, and professional support to, the investment matters of the Group, and then reports back to the full Board on a regular basis. The investment committee also reviews the investment performance from time to time and advises the Board on how the Company's funds (including surplus funds, funds not designated for specific purpose, or funds designated for specific purpose but application of which is not immediately required) are to be used to

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enhance the Company's investment returns, preserve the value of the Company's funds and/or achieve capital appreciation. The investment committee currently comprises Mr. Hou (an executive Director), Mr. Lau, Tsz Man (an independent non-executive Director and chairman of the Audit Committee) and Dr. Jin Xiaobin (an independent non-executive Director). As of the Latest Practicable Date, the investment committee was also identifying suitable candidates with extensive experience in investment and finance to support the intended functions of the investment committee.

The Group has adopted an information disclosure policy which has set out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is responsible for monitoring and implementing the procedural requirements in the information disclosure policy. Release of inside information shall be overseen by the Board. Unless authorised by the Board, the staff members of the Group shall not disseminate inside information relating to the Group to any external parties and shall not respond to media or market speculation which may materially affect the trading price or volume of the Shares on the market.

COMPANY SECRETARY

Ms. Yu Anne ("**Ms. Yu**") was appointed as the company secretary of the Company with effect on 30 August 2022. Ms. Yu is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

Mr. Hou, an executive Director, is the primary point of contact of the Company for Ms. Yu.

For the Reporting Period, Ms. Yu had undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

The biographical details of Ms. Yu are set out in "Directors and Senior Management" section on page 27 of this annual report.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings ("EGM") by Shareholders

Pursuant to article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. EGMs shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. 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 requisitionist(s) may add resolutions to the agenda of a general meeting requisitioned under this article.

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Putting Forward Proposals at General Meetings

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Act of Cayman Islands (as revised and amended from time to time). Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an EGM following the procedures set out in the paragraph above.

Putting Forward Enquiries to the Board and Contact Details

Shareholders may send written enquiries to the Company for the attention of the Board at the Company's head office and principal place of business in China.

Contact Details

Address	:	No. 66, Beihai East Road Shangqiu City Henan Province PRC
Email	:	IR@chunlaiedu.com

SHAREHOLDERS' COMMUNICATION POLICY

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.

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through corporate communications, its website, Shareholder enquiries, annual general meetings and other general meetings. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

As part of its regular review, the Board has reviewed its policies in regard to the shareholders' communication for the Reporting Period and is of the view that they are effective and adequately implemented on basis that such policies facilitate Shareholders and potential investors to access and obtain information about the Group and its business performance and strategies and to communicate with Directors and other members of the Group.

CHANGES IN CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the Reporting Period. The latest version of the Company's Articles of Association is available on the Company's website (https://www.chunlaiedu.com) and the Stock Exchange's website (https://www.hkexnews.hk), respectively.

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SUMMARY OF SUSTAINABLE DEVELOPMENT PERFORMANCE

Environmental performance

Greenhouse gas emission intensity per square metre (compared to 2024) ↓ **33.92%**

Social performance

Average rate of positive feedback regarding teaching	Average training hours for employees	Litigations regarding violation of laws and regulations relating to health and safety	The number of lost days due to work injury	Work-related fatality cases including those over the past three years
96.05%	**60.58 hours**	**0**	**0**	**0**

Governance performance

The multi-layered ESG governance structure consists of:

- Decision-making level: Board of Directors
- Organisational level: ESG Committee
- Executive level: Relevant Departments

The 25 material ESG issues revolve around:

- "Ensuring High Quality in Teaching and Building a Brighter Future Together"
- "Comprehensive Risk Management and Control with Clean and Safe Operations"
- "Optimizing Employment Management and Caring for Employees' Development"
- "Responding to Climate Change and Optimizing Resource Utilization"
- "Proactively Contributing to Society and Fulfilling Corporate Responsibilities"

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Selected key awards and honours of the year

Shangqiu University was awarded	Director unit of Henan Provincial School Ideological and Political Education Research Association
Shangqiu University Kaifeng Campus was awarded	3 first prizes, 1 second prize and 8 third prizes at provincial level in the Henan Division of the 2024 National Undergraduate Mathematical Contest in Modeling
Anyang University was awarded	Anyang Advanced Unit for Cyberspace Affairs Work
Anyang University Yuanyang Campus was awarded	Best Organization Award in the Regional Contest (student group) of the Third National College Digitalized and Intelligent Business Decision-making Innovation Competition
Jingzhou College was awarded	The Third Prize of the 6th Hubei China Vocational Education Innovation Competition
Hubei Jiankang Vocational College was awarded	Outstanding Organization Award for the 2nd "Soaring to new professional heights" Short Video Creativity Competition

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MESSAGE FROM THE CHAIRMAN

Dear Stakeholders:

The passage of time will never change our steadfast commitment. By closely following the national strategy for building China into an education power and upholding the fundamental mission of "fostering virtue through education", Chunlai Education has been deeply engaged in private higher education for over twenty years. On behalf of the Board of Directors of China Chunlai Education Group Co., Ltd., I am pleased to present the Group's eighth Environmental, Social and Governance ("ESG") Report. This report details our strategic vision, management practices, and performance outcomes in sustainable development for the period from 1 September 2024 to 31 August 2025. We always firmly believe that excellent ESG governance is not only the cornerstone of a company's sustainable development, but also an inherent requirement for fulfilling our educational mission and nurturing the new generation.

Standardising Governance to Consolidate the Foundation for Development

In terms of ESG governance, we have established a three-tier structure comprising the Board of Directors, the ESG Committee and relevant departments to continuously enhance ESG responsibilities at all levels. We have implemented a comprehensive risk management and internal control system, and conducted in-depth anti-corruption training and construction of a culture of integrity in teachers' ethics and conduct, in a bid to ensure the Group's compliant and stable operations. Regarding supply chain management, we have incorporated environmental and social risk factors into our supplier assessment system to promote responsible procurement.

Fostering Virtue through Education, Upholding the True Nature of Education

Consistently adhering to the educational philosophy of "putting students into first place, focusing on moral education, prioritising capacity enhancement, taking quality as foundation, carrying on good existing practices while implementing innovative practices, serving the society and striving for excellence", we steadily promote the development strategy of "relying on teaching quality, excellent talents, characteristics and rule of law for survival, development, rejuvenation and governance of our colleges and universities", and cultivated hundreds of thousands of outstanding application-oriented talents for the country. Over the past year, we have continued to optimise the long-term mechanism for the development of teachers' ethics and conduct, and enhanced the teaching evaluation and feedback system, with the Group's average rate of positive feedback regarding teaching reaching 96.05%. We have also prioritized students' healthy development by establishing a comprehensive campus safety and health management system covering food safety, fire safety, mental health, and other areas, striving to create a secure campus environment for both teaching and learning. Furthermore, we have expanded educational pathways through the integration of industry and education, as well as the sino-foreign school operation. During the Reporting Period, we have maintained 325 registered patents, ensuring that quality education serves as the cornerstone of student development and diligently fulfilling our responsibility to supply society with high-quality application-oriented talents.

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Caring for Employees and Fulfilling Social Responsibility

We deeply recognize that talent is the core driving force of education. We are committed to creating a fair and inclusive working environment and consistently prioritize employee development. We have established a standardised employment system and a tiered training mechanism. In 2024, the annual average training hours per employee increased significantly, with the training coverage rate for female employees reaching as high as 60.02%. Additionally, we have enhanced faculty members' sense of belonging and cohesion through diverse initiatives, including providing housing subsidies, health examination, and conducting cultural and sports activities. Furthermore, we are dedicated to extending the impact of education beyond the campus. During the Reporting Period, a volunteer team of over 30,000 teachers and students contributed a total of more than 90,000 hours of service. Through programmes such as donations to support education, care for vulnerable groups, and support for local development, we have fulfilled our social responsibility as an educational enterprise and contributed to the harmony and progress of local communities.

Responding to Climate Change with Green Operations

The Group has always actively responded to the national "carbon emissions peak and carbon neutrality" goals. In the past year, we passed the environmental protection concept to every teacher and student by implementing measures such as energy-saving transformation, water resources management, paperless office, as well as waste classification, treatment and reduction, and achieved a year-on-year decrease in GHG emission intensity per square meter. We also continuously verify and disclose GHG emissions data, and are committed to transforming to a low-carbon operating model and building a green campus.

Looking ahead, Chunlai Education will continue to take ESG as its core driving force, deepen educational and teaching reforms, enhance sustainable development governance, and further integrate the concept of sustainable development into every aspect of its educational endeavours. We look forward to collabourating with all stakeholders in advancing teaching quality, supporting staff development, fulfilling environmental responsibilities, and contributing to social welfare. Finally, we sincerely appreciate our shareholders, partners, all employees, and all sectors of the community for their continued trust and support for Chunlai Education.

Hou Junyu
China Chunlai Education Group Co., Ltd.
Chairman

Environmental, Social and Governance Report

1. ABOUT CHUNLAI EDUCATION

The Group is one of the leading providers of private higher education in China. Established in 2004, the Group operates institutions including Shangqiu University, Anyang University, Shangqiu University Applied Science and Technology College (Shangqiu University Kaifeng Campus), Anyang University Yuanyang Campus, Jingzhou College, Tianping College of Suzhou University of Science and Technology (a cooperating school), and Hubei Jiankang Vocational College. In September 2018, the Group was listed on the Main Board of the Hong Kong Stock Exchange. The Group is committed to developing into a well-known private education brand at home and abroad and nurturing outstanding talents for the country and society. Under the education philosophy of "putting students into first place, focusing on moral education, prioritising capacity enhancement and taking quality as foundation, carrying on good existing practices while implementing innovative practices, serving the society and striving for excellence", the Group has fully implemented the development strategy of "relying on teaching quality, excellent talents, characteristics and rule of law for survival, development, rejuvenation and governance of our colleges and universities". Based on the above, we have been attracting outstanding teachers to pursue the essence of education.

1.1 Overview of the Group

For more than two decades since its establishment, the Group is full of enthusiasm about the educational undertaking, and with the support of the Party and the national policies as well as the caring of Party committees and governments at all levels, our strength and level of running schools have been continuously upgraded, and have been widely recognized by the Party committees and governments at all levels, as well as all sectors of society.

The Group and its colleges and universities have repeatedly won various accolades such as Education Group with Influential Brand, China's Most Influential Private School, China's Top 30 Private Education Providers, Advanced Institution Among Private Education Providers, Advanced Collective in Higher Education Teaching, Civilised School, Independent College with the Most Valuable Brand in China and the Most Beautiful University Campus. By providing quality education, we have gained the joy of nurturing talents on the one hand, and strengthened our confidence in character building and talent fostering on the other hand.

Education philosophy

Taking the fostering of virtue through education as the fundamental task, and relying on scientific development, reform, innovation, and law-based governance of education to bring out the full potential of higher education with innovation and characteristics so that we could cultivate higher-quality professionals, thus improving our capability to serve the society.

Education vision

Equipping students with knowledge so that they improve their families and serve the society

Six pillars

Law-based governance of education, integrity-oriented education, respect for talents, care for students, service for the society and pursuit of excellence

Social responsibility

"Aiming for educational development, undertaking the responsibility of serving society". While devoting itself to education, the Group actively participates in social welfare undertakings. Over the years, the Group voluntarily assumes social responsibilities, unswervingly aids disadvantaged groups, and cares for society and people's livelihood.

Environmental, Social and Governance Report

1.2 Awards and Honours

The Group pursues excellence and strives for perfection and is full of enthusiasm about the educational undertaking. We are dedicated to improving our school-running capability, school-running level and school-running effectiveness. With our achievements in multiple aspects, we have been widely recognized and accepted by all walks of life. We won the following honours during the year:

Shangqiu University Awards and Honours	Hosting/Issuing Agency
Director unit of Henan Provincial School Ideological and Political Education Research Association	Henan Provincial School Ideological and Political Education Research Association
2024 Advanced Group for Private Education Work in the Province	Henan Private Education Research Association
Model School of Private Education Brand Building in Zhongyuan	Dahe.cn of Henan Daily News Agency
Henan Division Team Organization Award of the First "e-Surfing Cloud Xirang Cup" College AI Competition	Education Customer Department, Henan Branch of China Telecom Corporation Limited

Shangqiu University Kaifeng Campus Awards and Honours	Hosting/Issuing Agency
3 first prizes, 1 second prize and 8 third prizes at provincial level in the Henan Division of the 2024 National Undergraduate Mathematical Contest in Modeling	Higher Education Department of the Ministry of Education, China Society for Industrial and Applied Mathematics
1 silver award and 12 bronze awards in the 2024 "Challenge Cup" Henan College Student Entrepreneurship Plan Competition	Henan Provincial Committee of the Communist Youth League, Henan Provincial Department of Education, Henan Provincial Department of Human Resources and Social Security, Henan Provincial Association for Science and Technology, Henan Provincial Federation of Students
2 second prizes and 1 third prize in the comprehensive ability contest, 2 second prizes in the speech contest, 1 third prize in the interpretation contest in the 2024 "Understanding Contemporary China" of "FLTRP – ETIC Cup" for National Foreign Language Contest for College Students in Henan division	Henan Provincial Department of Education

Environmental, Social and Governance Report

Shangqiu University Kaifeng Campus

Awards and Honours	Hosting/Issuing Agency
2 first prizes, 6 second prizes, and 8 third prizes in the 10th Henan College Student Robot Contest	Henan Provincial Association for Science and Technology, Henan Provincial Department of Education, Henan Provincial Department of Science and Technology
The brand of employment competitiveness of private colleges and universities in Zhongyuan	Dahe.cn of Henan Daily News Agency
1 second prize and 1 third prize in the National Selection Competition (Provincial Competition) of the 12th "netinnet.cn Cup" College Students Financial Decision Competition	China Business Accounting Institute
Second prize at the National Finals of the 6th College Students Smart Technology Application Competition	Chinese Medicine Education Association

Anyang University

Awards and Honours	Hosting/Issuing Agency
Anyang Advanced Unit for Cyberspace Affairs Work	Cyberspace Administration of Anyang Municipal Committee of CPC
The list of selected video micro-lessons on the inheritance and innovation of intangible cultural heritage skills under the theme of "Craftsmanship in Hundred Things" in the 2024 College "Respect for Chinese Excellent Traditional Culture" publicity and education campaign	Ministry of Education
Excellent Promotion Award and Excellent Organization Award of the 2024 National Campus Line Dancing Competition	Gymnastics Administrative Center of General Administration of Sport of China
Best Organization Award of the 5th Henan Colleges and Universities Theme Recitation Contest of "Classic Culture Nourishing Years and Building Your Dreams in a New Era"	Henan Colleges and Universities Library and Information Work Committee, "Xuexi Qiangguo" Henan learning platform
Excellent Co-construction Unit for Campus-Local Public Opinion Risk Management and Control	Domestic Security Detachment of Anyang Public Security Bureau

Environmental, Social and Governance Report

Anyang University Yuanyang Campus

Awards and Honours	Hosting/Issuing Agency
Best Organization Award in the Regional Contest (student group) of the Third National College Digitalized and Intelligent Business Decision-making Innovation Competition	The Commerce Economy Association of China
Outstanding Organization Award of the Fourth "Zhixin Cup" Information Literacy Challenge Event in Colleges and Universities in Henan Province	Henan Provincial Higher Education Campus Information Work Committee

Jingzhou College

Awards and Honours	Hosting/Issuing Agency
The Third Prize of the 6th Hubei China Vocational Education Innovation Competition	United Front Work Department of the CPC Hubei Provincial Committee, Hubei Provincial Department of Education, Hubei Provincial Department of Human Resources and Social Security, China Vocational Education Association of Hubei Province
1 second prize and 1 third prize of the 18th "Higher Education Cup" National College Students Advanced Mapping Technology and Product Information Modeling Innovation Competition	Organizing Committee of the National College Students Advanced Mapping Technology and Product Information Modeling Innovation Competition
The Third Prize in Hubei Division of the 15th "Foreign Language Teaching and Research Press Cup" National College Foreign Language Teaching Competition (Foreign Language Major Group)	Organizing Committee of the 15th "Foreign Language Teaching and Research Press Cup" National College Foreign Language Teaching Competition
The Second Prize of 2024 Outstanding Thesis of Hubei Association of Higher Education	Industry-University-Research Cooperation Professional Committee of Hubei Association of Higher Education
The Third Prize in the National College Teachers' Digitalized and Intelligent Education Innovation Competition	Organizing Committee of the National College Teachers' Digitalized and Intelligent Education Innovation Competition

Environmental, Social and Governance Report

Hubei Jiankang Vocational College Awards and Honours	Hosting/Issuing Agency
Outstanding Organization Award for the 2nd "Soaring to the new professional heights" Short Video Creativity Competition	Hubei Provincial Employment Guidance Service Center for College Graduates, Jimu News

2. ABOUT THIS REPORT

China Chunlai Education Group Co., Ltd. ("Chunlai Education") and its subsidiaries ("Group", "our Group", "the Group", "we", "us" or "our") are pleased to present our eighth Environmental, Social and Governance Report ("ESG Report" or "this Report"), which describes our strategies, policies, objective setting and initiatives in the environmental, social and governance ("ESG") field to fully disclose our ESG concepts and practices, demonstrating the blueprint of the Group's sustainable development.

Reporting Standard

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") set out in Appendix C2 to the Listing Rules issued by the Stock Exchange. The contents covered herein are in compliance with mandatory disclosure requirements, including governance structure, four reporting principles (materiality, quantitative, balance and consistency) and reporting boundary, and "comply or explain" provisions required in the Guide.

We recommend that this Report be read in conjunction with the section headed "Corporate Governance Report" of the Annual Report to get a full picture of the Group's ESG performance and overall governance.

Reporting principles:

Materiality	In accordance with the requirements of the principle of materiality of the Stock Exchange, this Report has identified and disclosed the process of significant environmental, social and governance factors and the criteria for their selection, the process of identifying material issues and the matrix of material issues, as well as the description of significant stakeholders and the process and results of stakeholder engagement.
Quantitative	The statistical criteria, methods, assumptions and/or calculation tools used in this Report for reporting emissions/energy consumption (where applicable), and the sources of conversion factors are explained in the Definitions of this Report.
Balance	This Report presents the Group's performance for the Reporting Period in an unbiased manner, avoiding selections, omissions or formats of presentation that might improperly influence reader's decisions or judgments.
Consistency	The statistical methods used to disclose data in this Report are consistent with those used in the report of the previous year. If there is any change, it will be clearly stated in the Report.

Environmental, Social and Governance Report

Reporting Scope

This Report elabourates the sustainable development achievements related to core businesses and the performance of corporate social responsibility for the period from 1 September 2024 to 31 August 2025 (the "Year" or "Reporting Period"). Unless otherwise specified, this Report covers the businesses directly controlled by Chunlai Education, and the data collection of the key performance indicators under the Environmental Subject Area covering Shangqiu University, Anyang University, Anyang University Yuanyang Campus, Shangqiu University Kaifeng Campus, Jingzhou College and Hubei Jiankang Vocational College.

Reporting Language

This Report is published in both Traditional Chinese and English. If there is any discrepancy, the Traditional Chinese version shall prevail.

Approval of this Report

This Report was approved by the Board on 28 November 2025 after being confirmed by the management.

Feedback on this Report

We highly value your feedback on this Report. Should you have any questions or suggestions, please do not hesitate to contact us through the following channels:

Address: No. 66, Beihai East Road, Shangqiu City, Henan Province
E-mail: IR@chunlaiedu.com

Source of Data and Reliability Statement

All data and cases disclosed in this Report are derived from the Group's internal documents, statistics reports and relevant public information. The Group warrants that this Report is true, accurate and complete, and it contains no false statements, misleading information or material omissions, for which the Group accepts responsibility.

3. SUSTAINABILITY GOVERNANCE

The Group believes that fulfilling corporate social responsibility is of paramount importance to us. Therefore, we establish the environmental targets and regularly review the progress of relevant measures. During the Reporting Period, we have demonstrated continuous improvement in performance at the environmental, social, and economic levels, driving sustainable social development alongside corporate growth.

Sections:

- 3.1 Board Statement
- 3.2 Sustainability Governance Structure
- 3.3 Corporate Sustainability Policies
- 3.4 Communication with Stakeholders
- 3.5 Materiality Assessment

The SDGs[1] to which this chapter responds

[1] The Sustainable Development Goals (SDGs) were adopted by all United Nations member states in 2015 to eradicate poverty, reduce inequalities, and build a more peaceful and prosperous society by 2030.

Environmental, Social and Governance Report

3.1 Board Statement

To fulfill our commitment to ESG development, the Group has established an ESG governance structure led by the Board and has deeply integrated ESG concepts into our sustainable development governance framework. The Board has overall responsibility for the Group's ESG matters and is responsible for determining the Group's overall ESG strategy, understanding relevant risks, and assessing the Group's ESG performance by establishing a sustainable development governance framework.

The Board is committed to deeply integrating ESG concepts into our operations and management, and endeavours to create an innovative education system for the growth and development of talents. The Board has set environment-related targets and will continuously monitor ESG performance and conduct regular evaluations based on the set targets to oversee and improve sustainable development efforts. On the other hand, the Board is also responsible for identifying, assessing, and prioritizing the Group's material issues, confirming the results of materiality assessment, incorporating key issues into the Group's strategic planning, and ensuring that it fully understands and responds to the concerns and needs of various stakeholders, so as to formulate the Group's ESG management policies, strategies, priorities and objectives.

The Board has established an ESG Committee and delegated to it the responsibility to oversee and promote ESG initiatives. The ESG Committee is responsible for regularly updating and consolidating the latest development of ESG-related policies and systems, and tracking the implementation performance of the ESG practices.

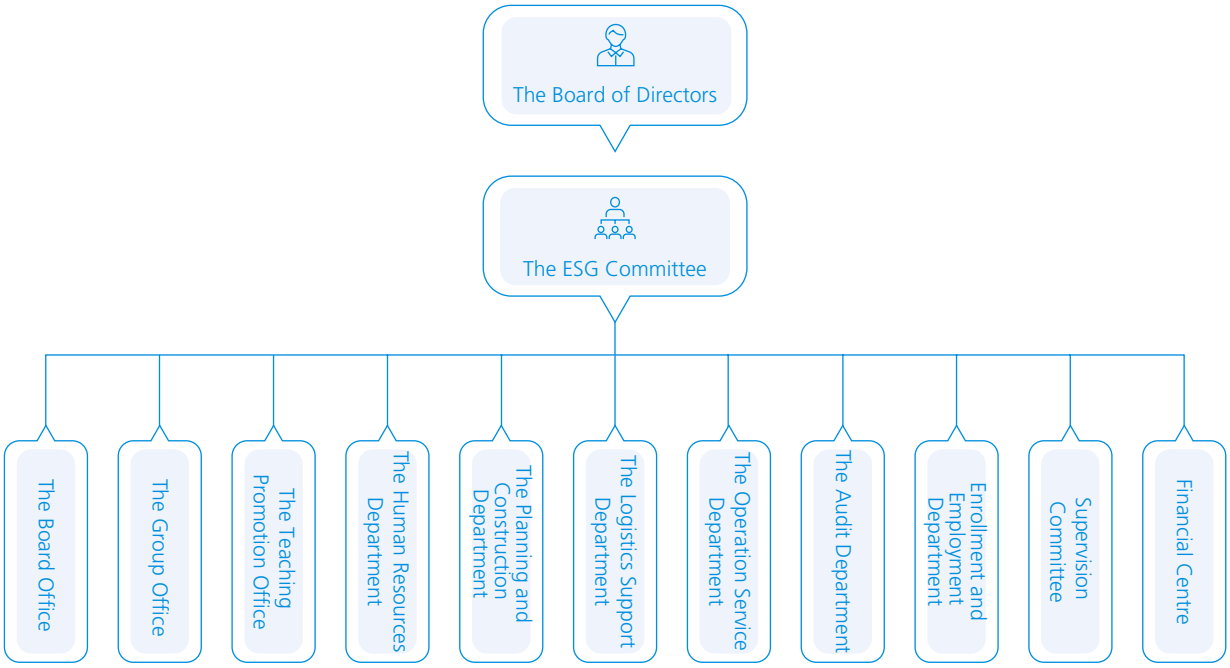
Environmental, Social and Governance Report

3.2 Sustainability Governance Structure

The Group is committed to sustainable development, fulfilling our commitment to sustainable development. We attach great importance to the material issues related to the Group, and actively promote and supervise the implementation of ESG-related policies and measures by various relevant departments. We also ensure ESG strategies, objectives and work can be integrated into the daily operations and business practices of the Group.

Chunlai Education continuously improves our ESG management structure and has established an ESG governance structure under which the Board makes decisions, covering all levels of the Group, including the decision-making level, organisational level and executive level. The Board is responsible for determining and overseeing the management system for ESG policies, strategies, objectives and overall operations. The ESG Committee is led by the Chief Executive Officer and consists of key persons in charge of the Board Office and various departments of the Group. The Committee is responsible for formulating specific ESG management policies, strategies, objectives and implementation plans, as shown in the chart below.

ESG Governance Structure



Environmental, Social and Governance Report

ESG Governance Structure	Primary Duties
Decision-making level: The Board of Directors	to delegate authority to the ESG Committee to resolve and approve the Group's ESG management approach, strategy, objectives and annual work, including the assessment, priorities and management of significant ESG issues, risks and opportunities to regularly review and monitor ESG performance and progress towards goals
Organisational level: The ESG Committee	to report regularly to the Board to identify, assess, review and manage significant ESG issues, risks and opportunities to formulate ESG management approach, strategy, annual work and objectives for approval by the Board, and drive the implementation of such efforts to coordinate and promote the implementation of various ESG policies in departments, monitor the ESG-related work of each functional department
Executive level: Relevant Departments of the Group	to organise and execute ESG-related works in accordance with the Group's ESG management approach, strategy and annual work to collect and report internal ESG policies, systems and ESG-related performance indicators to comply with all ESG-related policies and systems to report regularly to the ESG Committee

Environmental, Social and Governance Report

3.3 Corporate Sustainability Policies

We are committed to continuously improving our s educational capabilities, standards, distinctive features, and outcomes. Through the formulation of a series of sustainable development policies and norms, we ensure that the principles of sustainable development are embedded into all business practices alongside business growth. Furthermore, we provide clear strategic guidance for the Company's decision-making to address material issues.

Sustainable development policy	Corresponding materiality issues	
• Policies on monitoring and guaranteeing teaching quality in colleges and universities • Implementation plans on a long-term mechanism for the development of teachers' morality in colleges and universities • Teaching evaluation program and complaint and feedback management measures • Policies to promote employment of students in colleges and universities	• Teaching quality control • Student employment rate • Teacher qualifications and professional conduct • Student satisfaction	• Handling of teaching opinions • Enrichment of educational resources • Market competitiveness

Environmental, Social and Governance Report

Sustainable development policy	Corresponding materiality issues
• Health and safety management rules • Emergency plans and safety management measures in colleges and universities	• Student health and safety • Responding to climate change • Occupational health and safety
• Internal integrity management practices and policies	• Anti-corruption • Compliance operations
• Plan for building a green campus in colleges and universities	• Energy consumption and efficiency • Water consumption and benefits • Greenhouse gas emissions • Waste management • Pollution reduction and emission reduction • Material/resource use
• Staff management policies and staff handbook	• Employment system with equal opportunities • Employment rights and benefits • Staff training and development
• Procurement and supplier management policies	• Responsible procurement
• Information security protection policies	• Information privacy protection
• Intellectual property management measures	• Protection of intellectual property rights

Environmental, Social and Governance Report

3.4 Communication with Stakeholders

We recognize that communication with stakeholders is essential to achieving corporate sustainability. Therefore, we place high emphasis on the views and concerns of all stakeholders and are committed to working with all parties to drive sustainability efforts. We interact with stakeholders through various channels to enhance their understanding of the Group's strategies and measures while ensuring we grasp their suggestions and expectations. We also fully consider stakeholder's feedback when formulating and implementing our sustainability strategy, and take corresponding measures to continuously enhance our sustainability performance.

Key Stakeholders and Communication and Response Channels

Stakeholders	Main concerns	Main methods for communication and response
Investors/shareholders	• Information transparency • Business growth • Investment return • Sound operation • Information transparency • Corporate governance	• Result announcements • Senior management meetings • Meetings of investors • Annual general meeting and other general meetings • Interim report and annual report • Corporate communications, such as letters/circulars to shareholders and meeting notices
Teachers/other employees	• Sense of belonging of employees • Salary and benefits of employees • Health and safety of employees • Channels for employees to express their opinions • Education service quality • Employee training and development • Qualification and professional conduct of teachers • Employment system with equal opportunities	• Employee opinion surveys • Channels for employees to express their opinions (forms, suggestion boxes, etc.) • Work performance assessments • Meetings and interviews • Training courses • Business briefing • Volunteer activities • Panels • Publications (such as employees communications) • Employee communication meetings • Employee intranet • Conference/workshops/seminars

Environmental, Social and Governance Report

Stakeholders	Main concerns	Main methods for communication and response
Students/parents	• Health and safety of students • Teaching quality control • Student employment rate • Qualifications and professional ethics of teachers • Student satisfactions	• Feedback in the class • Satisfaction survey • Regular visits • Online platforms
Graduated students	• The development of the school • The platform that the school can provide	• Graduated student reunions • Graduated students activities organised by the school • Alumni achievements showcase event
Government/ regulatory authorities	• Compliant operation • Teaching quality control • Enrich education resources	• Consultation • Seminars • Rating of the schools • Visiting the schools • Meetings • Compliance report
Suppliers	• Fair and unbiased procurement • Business growth • Investment return	• Supplier management procedures • Supplier/contractor evaluation system • On-site visits
Business partners	• Corporate governance • Investment return • Business growth	• Strategic partnership projects • Meetings

Environmental, Social and Governance Report

Stakeholders	Main concerns	Main methods for communication and response
Community/ Non-governmental organisations	• Community investment and participation • Participation in social benefit activities	• Meetings • Donations • Volunteer activities
Public	• Information transparency • Education quality assurance • Sound operation	• Media information • School website • Activities organised by the school
Media	• Enterprise performance • Corporate image • Education quality assurance • Compliance operation • Enrich education resources	• Press release • Result announcements

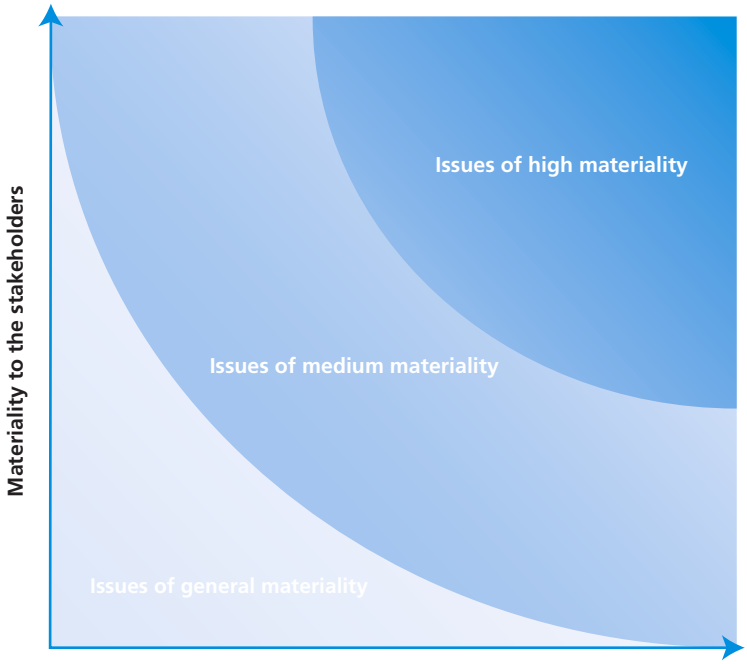
Environmental, Social and Governance Report

3.5 Materiality Assessment

During the Reporting Period, we take as a reference the Guide of the Stock Exchange, material issues of the Sustainability Accounting Standards Board (SASB) and MSCI for the education sector, as well as the ESG concerns of other companies in the sector, and conducted a materiality assessment. As there has not been a significant change in the Group's business, operating environment and the interactions between our stakeholders and us, we have continued to adopt the results of the materiality assessment of the previous year, which has been approved by the Board.

The Group summarised 25 ESG material issues, in which 11 issues of high materiality, 13 issues of medium materiality and 1 issue of general materiality were ranked by order of importance. The results of the materiality assessment are presented in the materiality matrix below.

Materiality Matrix of ESG Issues



Materiality to the Group

Environmental, Social and Governance Report

Based on the results of the materiality matrix, we have identified the direction of material ESG issues for this Year, including "Ensuring High Quality in Teaching and Building a Brighter Future Together", "Comprehensive Risk Management and Control with Clean and Safe Operations", "Optimizing Employment Management and Caring for Employees' Development ", "Responding to Climate Change and Optimizing Resource Utilization" and "Proactively Contributing to Society and Fulfilling Corporate Responsibilities".

Subsequent chapters in this Report will disclose these five aspects in detail to specifically response to the concerns from stakeholders.

Issues of high materiality	Corresponding chapter
1. Health and safety of students	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
2. Teaching quality control	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
3. Student employment rate	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
4. Qualifications and professional ethics of teachers	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
5. Responsible procurement	5. Comprehensive Risk Management and Control with Clean and Safe Operations
6. Information privacy protection	5. Comprehensive Risk Management and Control with Clean and Safe Operations
7. Compliance operations	5. Comprehensive Risk Management and Control with Clean and Safe Operations
8. Anti-corruption	5. Comprehensive Risk Management and Control with Clean and Safe Operations
9. Employment system with equal opportunities	6. Optimizing Employment Management and Caring for Employees' Development
10. Employment rights and benefits protection	6. Optimizing Employment Management and Caring for Employees' Development
11. Responding to Climate Change	7. Responding to Climate Change and Optimizing Resource Utilization

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Issues of medium materiality	Corresponding chapter
12. Student satisfaction	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
13. Handling opinions on teaching	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
14. Enrich education resources	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
15. Market competitiveness	4. Ensuring High Quality in Teaching and Building a Brighter Future Together
16. Intellectual property protection	5. Comprehensive Risk Management and Control with Clean and Safe Operations
17. Employees' training and development	6. Optimizing Employment Management and Caring for Employees' Development
18. Occupational health and safety	6. Optimizing Employment Management and Caring for Employees' Development
19. Waste management	7. Responding to Climate Change and Optimizing Resource Utilization
20. Pollution reduction and emissions reduction	7. Responding to Climate Change and Optimizing Resource Utilization
21. Usage of materials/resources	7. Responding to Climate Change and Optimizing Resource Utilization
22. Energy consumption and efficiency	7. Responding to Climate Change and Optimizing Resource Utilization
23. Water consumption and efficiency	7. Responding to Climate Change and Optimizing Resource Utilization
24. Greenhouse gas emissions	7. Responding to Climate Change and Optimizing Resource Utilization

Issues of general materiality	Corresponding chapter
25. Community investment and participation	8. Proactively Contributing to Society and Fulfilling Corporate Responsibilities

4. Ensuring High Quality in Teaching and Building a Brighter Future Together

Chunlai Education has invariably taken the fostering of virtue through education as the fundamental task and attached great importance on the cultivation of teachers' professional ethics and conduct, as well as the enhancement of teaching quality. We have consistently adhered to the educational philosophy of "putting students into first place, focusing on moral education, prioritising capacity enhancement, taking quality as foundation, carrying on good existing practices while implementing innovative practices, serving the society and striving for excellence", thoroughly implemented the development strategy of "relying on teaching quality, excellent talents, characteristics and rule of law for survival, development, rejuvenation and governance of our colleges and universities", gathered the quality teaching forces, and unswervingly aspired to build a benchmark private education brand with international influence.

In school-running practices, we have built a three-layered system for education and teaching quality improvement as follows: Firstly, strengthen practical training with emphasis on the development of students' hands-on ability and innovative spirit; secondly, focus on habit formation, systematically building students' sound personality and good moral character; and thirdly, improve development channels, fully promoting students' comprehensive quality. The three aspects, consisting of teachers' professional development, teaching quality optimization and students' growth, formed the core improvement and development direction of the Group.

Sections:

- 4.1 Reinforce Health and Safety
- 4.2 Strictly Control the Teaching Quality
- 4.3 Develop the Ethics and Conduct of Teachers
- 4.4 Quality Employment Navigator

The SDGs[1] to which this chapter responds

Environmental, Social and Governance Report

4.1 Reinforce Health and Safety

The Group has consistently taken campus security and health as the top guarantee of school-running, rigorously implemented laws and regulations in relation to health and safety, such as the Food Safety Law of the PRC (《中華人民共和國食品安全法》), the Law of the PRC on the Prevention and Treatment of Infectious Diseases (《中華人民共和國傳染病防治法》), the Fire Protection Law of the PRC 《(中華人民共和國消防法》), the Guidelines for the Prevention and Control of Infectious Diseases in Colleges and Universities 《(普通高等學校傳染病預防控制指南》), and the School Health Work Regulations 《(學校衛生工作條例》, built a comprehensive multilevel management system for campus security and safety which covers five core areas of food safety, fire safety, occupational health, emergency management and mental health, and created a secure and supportive environment where teachers can focus on instruction and students can pursue learning with full confidence.

During the Reporting Period, the Group did not receive any complaints or litigations regarding violation of laws relating to health and safety, and the number of lost days due to work injury was zero. The Group also did not experience any work-related fatality cases over the past three years.

Food Safety on Campus

The Group has always adhered to red lines of food safety, developed and strictly implemented the Food Safety Management System (《食品安全管理制度》), the Food Safety Rapid Detection Management System (《食品安全快速檢測管理制度》), the Food Safety Self-inspection and Reporting System (《食品安全自檢自查與報告制度》), the Principal Accountability System on Food Safety (《食品安全校長責任制》), Emergency Plan for Food Safety Accidents (《食品安全事故應急預案》) and other rules and regulations. Through regular specialized check, thematic training and other methods, the Group has improved the food safety awareness and the professionalism of canteen staff and standardised food processing operation procedure, ensuring prompt feedback and urging for rectification once a problem is identified, followed by strict review to make sure the problem is thoroughly resolved. By doing so, food safety incidents will be prevented from occurrence, and the health and safety of teachers and students' daily diet will be guaranteed. These initiatives are a significant part of building a safe and harmonious campus, as they not only safeguarded the lawful rights and interests of teachers and students, but also reflected the Group's assuming of social responsibilities.

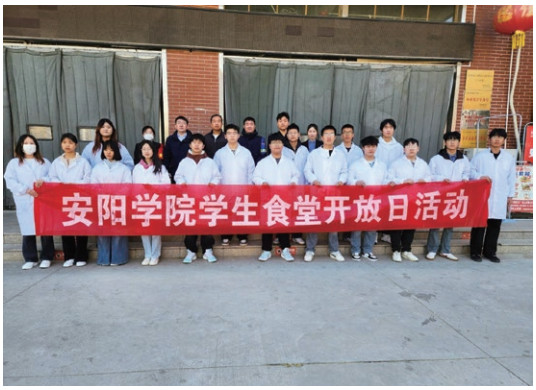
Environmental, Social and Governance Report

Case: the Third Canteen of Shangqiu University obtained the HACCP system certification and the ISO22000 food safety management system certification

The Third Canteen of Shangqiu University has successfully obtained the HACCP (Hazard Analysis Critical Control Point) system certification and the ISO22000 food safety management system certification, signifying that the institutionalized, refinement and standardised levels of our school canteen food safety management have further improved and also reinforcing the foundation of building a safe campus. As an internationally accepted preventive food safety control system, HACCP system guarantees food safety through hazard analysis of key control points. As an internationally accepted food safety management standards, ISO22000 provides food organizations with a complete management system evaluation framework.

Case: Anyang University hosted campus safety and health education promotion activities

To strengthen the trust of teachers and students in canteen work and increase their acceptance of catering services, Anyang University conducted a kitchen open day event in this Year, inviting student representatives to enter the kitchen together to take a closer look at the full process of catering production. With careful guidance from the staff, the student representatives orderly visited the main and minor food warehouses, operating room, decontamination room, washing & disinfection room and other key places. Every link and procedure were meticulously explained and demonstrated. On-site visit and the assistance of real-time monitoring system enabled students to intuitively watch every detail of ingredients from entering the canteen to being processed into delicious food.



Environmental, Social and Governance Report

Case: Shangqiu University hosted food safety emergency response drill

On 20 March 2025, a food safety emergency response drill was conducted at Shangqiu University Mingde Canteen, simulating a sudden food poisoning incident when dining in the canteen. The drill enabled the staff and medical personnel to participate in and have a command of response steps and emergency rescue common sense upon the occurrence of food poisoning. The anticipated purpose was served that once the food poisoning really occurs, personnel can be organized to stop to promptly control the hazard and decrease economic losses according to the emergency plan. The feasibility of the Food Poisoning Emergency and Rescue Plan (《食物中毒應急救援預案》) of the University was also proven.

Fire Safety on Campus

Campus safety is the bottom line and lifeline of the qualify development of schools. Fire safety work is particularly important given that electrical and gas equipment are used extensively in schools. To continuously improve fire safety management, and effectively safeguard the security and stability on campus, we strictly follow up the work policy of "prevention as priorities with a combination of prevention and fighting", and have implemented the Fire Safety Emergency Plan (《消防安全應急預案》), with focus on building a safe and harmonious campus, creating a safe and comfortable space for teachers and students to learn and live. We focus on enhancing the following measures:

1. Strengthen the daily supervision and inspection, adhere to the principle of precaution first, and identify and rectify various potential safety issues promptly;
2. conduct regular fire safety specialized training to effectively improve the fire safety awareness and emergency response capabilities of staff;
3. establish and perfect fire safety management system to ensure safe and smooth operation of canteens; and
4. refine the emergency plan and organize regular fire drills to improve the emergency event responsiveness.

Environmental, Social and Governance Report

By the measures above, we are committed to building a comprehensive fire safety prevention and control system to safeguard the safety on campus.

Case: Shangqiu University organized canteens to conduct a fire drill

On 25 February 2025, Shangqiu University organized all personnel to conduct an emergency evacuation drill and collectively watch and learn the steps of using fire extinguishers. Based on the actual situation, the fire-fighting maintenance personnel explained in detail the several causes for fires in canteens, and the methods and techniques such as how to put out the fire at its initial stage when it breaks out, and how to identify the fire safety hazard. The purpose of the drill was that all personnel can be brought under a unified command and resources such as manpower, material resources and information can be integrated promptly and effectively in front of a sudden blaze incident, so as to rapidly carry out organized control and extinguishment according to the intensity of a fire, avoid chaos and disorder at the scene of the fire, and minimize casualties and property losses.

Case: Hubei Jiankang Vocational College and Xianning Municipal Fire Rescue Detachment jointly conducted a fire emergency drill

On 16 April 2025, the General Affairs Department and the Student Affairs Department of Hubei Jiankang Vocational College, together with Xianning Municipal Fire Rescue Detachment, jointly conducted a fire emergency drill activity combining theory with practice. In the form of a dual track of classroom theoretical teaching and offline practical exercises, the activity brought a vivid safety education lesson to teachers and students, both reinforcing their fire safety knowledge base and improving their emergency responsiveness. In addition, it effectively tested the feasibility of the campus fire safety emergency plan and enhanced the practical multisectoral cooperative responsiveness to emergencies. Looking ahead, Hubei Jiankang Vocational College will continuously deepen the cooperation between college and local government, incorporate safety education into the whole process of educating people and create a safe and harmonious environment for teachers and students to learn and live.

Environmental, Social and Governance Report

Health and Safety of Teachers and Students

Given the unique nature of the education industry and the characteristics of the working environment, the majority of the Group's employees are engaged in teaching and administrative work, and therefore the occupational risks are relatively controllable. For the small number of jobs involving equipment maintenance and outdoor work, while there are certain occupational exposure risks, the overall hazard level of those risks remains relatively low.

To make sure the effective operation of the occupational health and safety management system, we have specifically formulated a Safety Management System《安全管理制度》to comprehensively safeguard the occupational health and safety of our employees by defining clearly the persons responsible for safety and establishing risk control mechanism. For the identified occupational health and safety hazards, we adhere to the principle of "prompt response and thorough rectification" and effectively prevent various occupational hazards. Furthermore, we implement a regular health monitoring regime to continuously track our employees' health and have built a comprehensive occupational health protection system. We also include the student physical health management as an important part into the education work while being concerned about staff occupational health and strive to build a safe and healthy campus environment for teachers and students.

In addition, we have established a sound campus emergency management system. In particular, we systematically standardise the process of public emergency response and comprehensively improve emergency responsiveness, by leveraging the work policy of "prevention as priorities with a combination of prevention and management". The system is committed to minimizing the impact of emergencies on normal teaching order, scientific and research activities and campus life, effectively decreasing the physical and psychological trauma and property losses to our teachers, students and employees, effectively maintain the security and stability on campus, and creating a favorable environment for school sustainable development.

The public safety emergency events of our school are mainly divided into the following categories:

Natural disasters	Accidents and disasters	Public health incidents	Social security incidents
Earthquakes, floods, hails, etc.	Building collapses, fires, major traffic accidents, etc.	Food poisoning, epidemic infectious diseases, mass diseases with unknown causes, etc.	Illegal assembly, demonstration, procession, school strike, terrorist attack, etc.

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Case: Shangqiu University conducted end-of-semester campus safety specialized inspection

To further standardise the campus safety management, make sure the safety and stability on campus at the end of semester, and effectively protect the life and property safety of teachers and students, on 2 July 2025, Shangqiu University conducted a safety specialized inspection on key areas such as campus construction sites, labouratories, library, student dormitory, canteens and supermarkets to comprehensively identify and rectify safety hazards. A thorough and meticulous check was made on fire fighting facilities, the water, electricity and gas safety, one-button emergency alert devices, flood prevention preparation and the safety of hazardous chemicals in labouratories in various venues. Regarding the issues and potential risks identified during the inspection, on-site instructions were issued requiring the relevant responsible departments to complete rectifications within a specified timeframe, thereby continuously improving the long-term mechanism for normalized campus safety management.

Environmental, Social and Governance Report

Case: Jingzhou College conducted a campus safety overhaul before May Day

In order to thoroughly implement the deployment requirements of the Provincial Department of Education and the Municipal Education Bureau on strengthening campus safety before the festival, the Logistics and Security Department of Jingzhou College took the lead in organizing a campus safety overhaul on 30 April 2025. The inspection team went into key areas such as the library, fire control room, classrooms, student dormitories, canteens, express delivery stations, medical room, and labouratories to meticulously inspect the key aspects such as fire protection facilities, electricity safety, food hygiene, laboratory management, and disinfection of express delivery. The leaders of the college required the responsible departments to strictly control the campus safety issues. In particular, based on the Responsibility Letter for the 2025 Safe Campus Objective of Jingzhou College, on-duty inspections and risk early warning during the holidays shall be strengthened, and the problems found on the spot shall be recorded and rectified within a prescribed time limit to ensure that no blind spots or hidden dangers remain, promoting the normalization and refinement of safety management.

Mental Health Education

In addition to the physical health and safety of teachers and students, Chunlai Education has always put the mental health education at the top priority. We systematically promote the mental health of teachers and students by conducting mental health education activities with distinctive themes and in various forms, as well as comprehensive publicity and promotion. On the one hand, we strive to improve the mental health literacy of all teachers and students to help them establish scientific and positive mental health cognition. On the other hand, we focus on cultivating rational, calm, positive and healthy mindset, so as to effectively enhance adaptability and development potential of both teachers and students in education and teaching, professional learning and daily life.

Environmental, Social and Governance Report

Case: A training lecture on "Identification of and Intervention in Undergraduates' Psychological Problems" was held at Shangqiu University

In order to have a more comprehensive understanding of students' psychological problems, Shangqiu University held a training lecture on the identification of and intervention in undergraduates' psychological problems on 28 May 2025. The lecture revolved around three aspects, namely the identification of common psychological problems of undergraduates, the tackling of psychological problems and the conversation techniques of psychological problems. The training was aimed to improve the mental health awareness and coping capacity of teachers, enabling them to master the identification and coping strategies of common psychological problems, strengthen their professionalism and practical ability, and effectively improve the efficacy and systematic nature of mental health education.

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Case: The quality development activity of the 11th Mental Health Education Promotion Month was held at Anyang University

On 7 May 2025, the quality development activity of the 11th Mental Health Education Promotion Month with the theme of "Cultivating a Positive Attitude and Strengthening Mental Resilience" was held at Anyang University, aiming to effectively implement mental health education for students and strive to create a healthy and harmonious campus environment. The successful holding of this quality development activity not only enriched the campus life of the students, but also helped students relieve their stress, delight them physically and mentally, and effectively enhance their psychological resilience. Moreover, it promoted the healthy development of students' physical and mental health as well as personality, and created a harmonious and friendly campus environment.

4.2 Strictly Control the Teaching Quality

For the purpose of effectively ensuring the quality of education and teaching, Chunlai Education have established a systematic and standardised teaching management system in accordance with the policy documents promulgated by the Ministry of Education such as Non-state Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法》), Several Provisions on the Administration of Non-state-operated Colleges and Universities (《民辦高等學校辦學管理若干規定》), Key Points for Teaching Management in Colleges and Universities (《高等學校教學管理要點》), and Implementation Plan for National Vocational Education Reform (《國家職業教育改革實施方案》), which cover a number of key aspects such as classroom teaching standards, teacher evaluation and professional evaluation, providing a solid institutional guarantee for the continuous improvement of educational level.

At the specific implementation level, we have established a comprehensive teaching quality monitoring and assurance system to achieve precise control over the classroom teaching quality through measures such as optimizing the course structure, conducting teaching quality assessment, and implementing leadership class observation protocols. At the same time, we continue to increase investment in teaching, adhere to high standards and strict requirements in terms of campus infrastructure, teachers and staff, laboratory resources, and school-enterprise cooperation to ensure that all teaching conditions fully meet the standards, and regard teaching quality as the key to the development of the schools.

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Teaching Quality Assurance

Teaching quality has been always considered as a core assessment indicator of a school's educational level and the foundation for its sustainable development. Through diverse measures such as systematic supervision, precise control, collabourative management and dynamic evaluation, we have established an organizational operation mechanism with teaching quality monitoring and assurance as the core to implement scientific, standardised and efficient full-process management on the critical elements of teaching quality.

We have formulated the Teaching Quality Monitoring and Guarantee System (《教學質量監控與保障體系》) and its supporting implementation plans with reference to the Guiding Opinions of the Ministry of Education on Strengthening the Development of Classroom Teaching in Universities and Improving Teaching Quality (Jiao Dang [2017] No. 51) (《教育部關於加強高校課堂教學建設提高教學質量的指導意見》(教黨[2017]51號)) and the Opinions of the Ministry of Education on Deepening the Reform of Undergraduate Education and Teaching and Comprehensively Improving the Quality of Talent Cultivation (Jiao Gao [2019] No. 6) (《教育部關於深化本科教育教學改革全面提高人才培養質量的意見》(教高[2019]6號)) and other policy documents. The System innovatively integrated five core sub-systems to achieve all-round quality check, monitoring and evaluation over teachers' teaching, students' learning and the teaching management. The five core sub-systems include:

1. Teaching decision-making and command system
2. Teaching quality standard system
3. Teaching operation management system
4. Condition guarantee system
5. Teaching quality monitoring and feedback system

Moreover, we have also specially formulated a system of the Quality Standards for Major Links of Undergraduate Teaching (《本科教學關鍵環節質量標準》) which standardises the whole process of teaching links including lesson preparation, classroom teaching, after-school tutoring, academic assessment, experimental teaching (including experiment, probation, graduation practice), graduation thesis (design) and the second classroom, to establish scientific quality benchmarks and operational standards for each teaching link. This refined quality management model ensures the standardised implementation and continuous improvement of teaching activities.

During the Year, Hubei Jiankang Vocational College prepared the Compilation of Rules for Teaching Advancement (《教學促進工作制度匯編》), which puts forward opinions on further strengthening and improving the development of teaching quality monitoring and assurance system, and establishes relevant work regulations and supervision measures , defines quality evaluation methods and implementation plans for key educational stages, and institutes procedures for teacher-student satisfaction surveys along with daily teaching inspection protocols.

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Case: The Group office organized a delegation of student affairs staff to go to Wuhan colleges and universities for study and exchange

To further improve the level of managing student affairs in the schools of the Group, the Group office organized a delegation of student affairs staff to go to Wuhan Donghu University, Wuhan University, Hankou University, Wuhan University of Bioengineering and China University of Geosciences for visit and exchange from 1 to 2 April 2025. The delegation sought to learn from and draw upon the excellent experience and exemplary practices of these universities in student education and management. In-depth discussions were also carried out on daily student management, academic culture development, counselor team building, and undergraduate education and teaching review and assessment.

This study and exchange was a reference and an exploration for the schools of the Group on the development of student affairs management, playing a positive role in promoting the continuous improvement of the management level of student affairs. We will take the study and exchange as an opportunity to continue to strengthen work exchanges with colleges and universities, learn from each other and make progress together.

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Case: Shangqiu University successfully completed the final teaching inspection for the spring semester of 2025

Pursuant to the requirements set out in the "Notice on Conducting the Final Teaching Inspection for the Spring Semester of 2025" (University Administrative Document [2025] No. 124), the Academic Affairs Office organized a university-level inspection team to conduct end-of-term teaching inspections across all units from 14 to 16 July 2025, in order to solidly promote the review and evaluation of the undergraduate education and teaching of the university, fully implement the teaching work arrangement for this semester, and effectively improve the teaching quality and management level. Through on-site visits, documents spot check, issues feedback and other means, the team systematically inspected each teaching link and gained in-depth insights into the implementation of teaching activities of each unit.

During the inspection, the inspection team acknowledged the highlights of teaching work while meticulously recording existing issues and completing the Shangqiu University End-of-Term Teaching Inspection Issues Feedback Form. Following the inspection, an on-site issues feedback meeting was convened. Based on the inspection findings, the university will urge relevant units to promptly rectify the existing problems and continuously optimize teaching process. This initiative provided clear direction for further standardising teaching management and enhancing teaching quality.

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Case: Jingzhou College attended the "Seminar on Building a New Ecology for High-Quality Development of Colleges and Universities" in Zhengzhou

On 30 July 2025, Jingzhou College attended the "Seminar on Building a New Ecology for High-Quality Development of Colleges and Universities" held by the China Association for Non-Government Education. With the theme of "Integration, Innovation and Empowerment", the seminar focused on hot issues such as how higher education can adapt to technological changes, the development of industry-education integration mechanism, and talent training in the new era, providing important references for Jingzhou College to deepen the reform of education and teaching. We will take this seminar as an opportunity to actively integrate into the new ecology of high-quality development of application-oriented colleges and universities, continue to deepen the reform of education and teaching, and lay a solid foundation for the cultivation of high-quality application-oriented talents.

To implement the requirements of the Non-state Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法》) and the Implementing Regulations on the Private Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例》), guide private colleges and universities to emphasize their educational orientation, consolidate their educational characteristics, and improve their educational level, the Education Department of Henan Province has launched the characteristic development project for private colleges and universities throughout the province and provided supporting development funds. As a result, the provincial teaching project of Shangqiu University has been fully funded, promoting the professional and high-quality development of our university.

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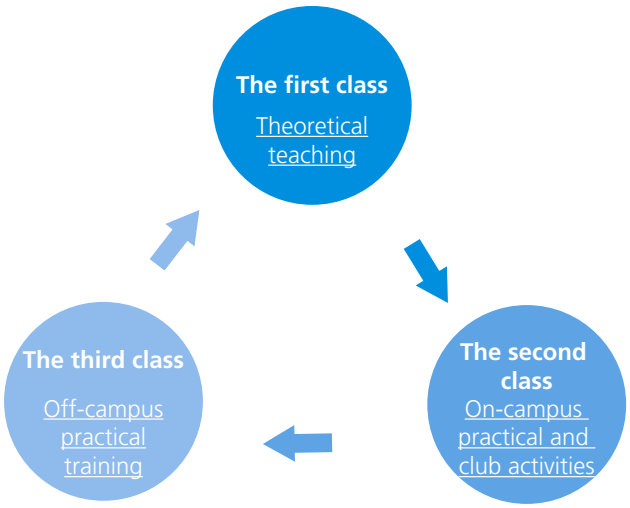
A Summary of provincial teaching quality projects owned by Shangqiu University

Project category	Project name
Characteristic Development Projects of Private Colleges and Universities	The Development of Intelligent Communication Modern Industry College
Characteristic Development Projects of Private Colleges and Universities	Practical Platform for Talent Cultivation, Innovation and Development of New Agricultural Science
Characteristic Development Projects of Private Colleges and Universities	"Five-stage Progressive" Teachers' Teaching Ability Enhancement Platform
Characteristic Development Projects of Private Colleges and Universities	A Modern Circulation Industry College Integrating "Four Chains"
The Third Batch of Colleges and Universities Across the Province with the Action Plan for School Aesthetic Education	Shangqiu University
Training Bases for Big Data Innovation Talents	School of Computer Engineering, Shangqiu University
Henan Provincial Engineering Technology Research Center	Henan Provincial Engineering Technology Research Center for Teaching Practice of Smart Agricultural Facilities
Henan Provincial AI Innovation Platform	AI and Digital Intelligence Innovation Platform

Teaching Resource Support

Chunlai Education has always regarded the development of a high-quality educational environment as the focus of its school-running, and helps students develop in an all-round way through multi-dimensional educational innovation. We fully leverage our educational strengths by effectively integrating and mutually promoting three classrooms: the first centering on theoretical teaching, the second with on-campus practical and club activities as an extension, and the third with off-campus practical training as an expansion. During the Reporting Period, by deepening school-enterprise cooperation and school-local government interaction, we continued to improve the development of on-campus labouratories and off-campus practical training bases, alongside creating a three-dimensional practical teaching platform to comprehensively improve students' professionalism and practical ability.



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Case: Chunlai Education intends to deploy DeepSeek R1 model

Chunlai Education intends to deploy the DeepSeek R1 model as one of its strategic initiatives to optimize student learning, enhance teacher instruction, and foster an environment and culture that positions the Group's 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. We will conduct a strategic review of our existing educational infrastructure and resources to identify opportunities for leveraging the DeepSeek R1 model. This strategic initiative aims to enhance teaching quality and efficiency, elevate research quality and output, and streamline teaching management processes, ultimately delivering an "AI+ education" experience for all teachers and students.

Case: Jingzhou College and China Telecom Jingzhou Branch reached a cooperation agreement on the off-campus internship and practical training bases

Aiming to deepen the integration of industry and education and promote cooperation and exchanges with local enterprises in Jingzhou, the School of Information Engineering of Jingzhou College signed a Cooperation Agreement on Off-Campus Internship and Practical Training Bases of Jingzhou College《荆州學院校外實習實訓基地合作協議書》with China Telecom Jingzhou Branch on 26 June 2025. In-depth discussions were held by both parties on topics such as the revision of talent cultivation plans, laboratory construction, co-construction of internship bases, and student internships and employment, and the unveiling ceremony of the "School-Enterprise Cooperation Base of Jingzhou College "was held.

This cooperation has built a bridge for school-enterprise resource sharing and complementary advantages of talents, effectively promoting the organic connection between the education chain, talent chain, industrial chain and innovation chain. In the future, we will rely on our cooperation bases to deepen cooperation in talent cultivation and technological innovation, provide more high-quality application-oriented talents for regional economic and social development, and help industry-university-research collaboration innovation reach a new height.

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We innovatively implement the concept of in-depth integration of "industry – education" as the core approach for nurturing application-oriented and inter-disciplinary talents. Through positive promotion of cooperation with various industries, such as school-enterprise joint cultivation projects and the construction of internship and practical training bases, students are able to apply their theoretical knowledge in a real work environment and improve their vocational skills and practical ability. This model of deepening the industry-education integration not only accurately meets the needs of industry talents, but also lays a solid foundation for students' career development.

In terms of the allocation of practical teaching resources, we have implemented differentiated development strategies:

- Comprehensive colleges and universities focus on customizing practical training facilities for each major, fully considering the needs of teaching content and research depth, and providing diversified teaching equipment and simulated environment. These practical training venues not only offers the training of basic operational skills, but also the cultivation of innovative thoughts and problem-solving skills, ensuring that students can obtain practical experience on campus that is suitable for the future workplace environments;

- Professional colleges and universities focus on the characteristics of the industry and the construction of labouratories and practical training facilities that are closely linked to the industry to meet students' needs for theoretical knowledge and practical skills in their respective professional fields.

Through the establishment of this precise practical teaching system, we aim to ensure that students in all majors can receive practical training that is highly matched to their future occupational needs, comprehensively enhancing their employment competitiveness and career development potential.

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Case: Anyang University and Shangqiu University entered into a Sino-foreign school operation cooperation agreement

In November 2024, Anyang University and Shangqiu University of Chunlai Education formally entered into a Sino-foreign school operation cooperation agreement with Elite Education Institute of Australia. Meanwhile, Anyang University established a strategic partnership with Massey University located in New Zealand to jointly advance international talent development programs. This cooperation marks an important step for Chunlai Education in the field of internationalized school operation. Through the integration of high-quality educational resources, a cross-border educational cooperation platform has been established to jointly cultivate innovative and application-oriented talents with an international perspective.

Cooperative school operation is an important part of the Group's high-quality development of education and teaching. It is not only a significant way to promote the connotative development of our universities, but also a key driver for advancing the internationalization of their education and teaching. We hope to further promote the all-round and in-depth cooperation between these two universities in the fields of teacher exchange, talent cultivation, scientific research cooperation, and educational resource sharing through in-depth negotiations and communications.

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Case: Anyang University held a school-enterprise cooperation negotiation meeting with Beijing China High-Speed Railway Transport Technology Co., Ltd

On 25 April 2025, a school-enterprise cooperation negotiation meeting was successfully held between Anyang University and Beijing China High-Speed Railway Transport Technology Co., Ltd. During the discussion and exchange session, both parties engaged in in-depth exchanges on specific aspects of the school-enterprise cooperation. They exchanged opinions and reached substantial consensus on several areas, such as the development of talent cultivation plans, optimization of the curriculum system, establishment of internship and practical training bases, sharing of faculty resources, and industry-university-research cooperation.

Through all-round and multi-level school-enterprise cooperation, we expect to integrate resources from both parties, jointly explore new models of school-enterprise collabourative education, and achieve mutual benefits and win-win results in areas such as talent cultivation, professional programme construction, as well as internship and employment, with a view to cultivating more high-quality application-oriented professionals for the rail transit industry and building a broader development platform for students.

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Teaching Quality Feedback

In terms of the construction of digital communication, Chunlai Education is committed to ensuring the authenticity and effectiveness of information dissemination, resolutely putting an end to the dissemination of exaggerated and false information, and maintaining a healthy and orderly online communication environment. Leveraging efficient information feedback and response mechanisms, the Group is committed to creating and maintaining a high-quality educational environment to ultimately maximize the teaching effectiveness.

Chunlai Education has always regarded the protection of students' rights and interests as an important cornerstone of school running and governance. Based on the existing teaching conditions, the Teaching Promotion Office has established a multi-dimensional teaching information feedback mechanism to dynamically monitor the entire process of teaching operation and collect and respond to opinions and suggestions on teaching work from all parties in a timely manner.

Information feedback channels	Real-time feedback of full-time supervisors from class attendance and evaluation
	Teacher-student symposiums
	Feedback from inspection on major teaching links
	Feedback from class evaluation of students
	Satisfaction survey feedback
	Dedicated QQ email for teaching information
	Feedback from mid-term and final online evaluation of students on teaching
	Network platforms (including QQ groups and WeChat groups)

In accordance with the established Routine Teaching Inspection System (《日常教學巡查制度》), the Teaching Affairs Office, the Teaching Promotion Office, and all departments are required to organize irregular inspections at least once a week to check on the attendance and teaching performance of teachers, students' learning status as well as teaching conditions and environment. Through the implementation of this inspection system, we strengthened the management, inspection and assessment of teaching quality, improved our internal quality control system and further standardised our daily teaching work, thereby maintaining a good teaching order and effectively improving the teaching quality.

To strengthen the connections between families, students and the school, we have developed the Complaint Responding System and Implementation Measures for Parents and Students (《家長及學生投訴處理制度及實施辦法》). By increasing the intensity of issue investigation, our colleges and universities effectively ensure that the opinions of parents and students are responded to and implemented in a timely manner, thereby achieving the school-running goal of home-school co-education and win-win between teachers and students. During the Reporting Period, the Group did not receive any complaint cases. The specific data on the rate of positive feedback regarding teaching are as follows:

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Average rate of positive feedback regarding teaching

96.05%

Rate of positive feedback regarding teaching

Names of universities and colleges	Unit	2025
Shangqiu University	%	98.88
Anyang University	%	96.27
Shangqiu University Kaifeng Campus	%	96.03
Hubei Jiankang Vocational College	%	96.86
Jingzhou College	%	94.61
Anyang University Yuanyang Campus	%	93.63
Average rate of positive feedback regarding teaching	**%**	**96.05**

Case: Jingzhou College launched an event themed on the College Leadership Reception Day

To further smooth communication channels between our college and students, establish a two-way communication platform and raise students' sense of well-being and satisfaction with campus life, Jingzhou College held a student symposium themed on the "College Leadership Reception Day" on 27 June 2025. During the symposium, student representatives exchanged ideas and shared insights on various aspects, including academic atmosphere development, discipline competitions, program settings, voluntary services and student activities, and put forward targeted personal opinions and suggestions. Principal Liu listened carefully to the issues raised by student representatives and engaged in in-depth communication and discussion on the feedback and suggestions from students.

The student symposium themed on the "College Leadership Reception Day" is a long-term commitment of our college, representing an important initiative for our college to implement the philosophy of putting students first and meet the needs of students. It aims to adhere to the student-centered educational philosophy, build a communication bridge focusing on students' rights and interests and attentively listening to their voices, support students' development and promote the enhancement of college governance as well as the optimization of the educational environment.

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4.3 Developing the Ethics and Conduct of Teachers

A loving heart is not only the foundation of the teaching profession, but also the very soul of education. Chunlai Education has thoroughly implemented the crucial deployment of the Party and the state on the development of teachers in the new era, and formulated and implemented the following institutional documents in strict accordance with principles of a series of documents on enhancing the ethics and teaching styles of teachers, such as the Opinions on Comprehensively Deepening the Reform of the Development of Teachers in the New Era (《關於全面深化新時代教師隊伍建設改革的意見》) issued by the Central Committee of the CPC and the State Council, and the Opinions on Accelerating the Development of High level Undergraduate Education and Comprehensively Improving the Ability to Develop Talents (《關於加快建設高水平本科教育全面提高人才培養能力的意見》) issued by the Ministry of Education, with a view to comprehensively standardise teachers' professional conduct.

The Group has consistently stuck to the core mission of "character building and talent fostering". To promote the development of the ethics and teaching styles of teachers in a substantial and thorough manner, we have established a scientific system of teachers' ethics assessment, thereby promoting teachers' enhancement of professional competence. With reference to the principles of the relevant documents such as the Certain Opinions on Strengthening Academic Moral Development (《關於加強學術道德建設的若干意見》), the Professional Ethic Standards for College Teachers (《高校教師職業道德規範》), the Opinions on Establishing and Improving a Long term Mechanism for the Development of Teachers' Morality in Colleges and Universities (《關於建立健全高校師德建設長效機制的意見》) and the Ten Guidelines for Professional Behaviors of Teachers of Colleges and Universities in the New Era (《新時代高校教師職業行為十項準則》), and considering actual circumstances of our colleges and universities, we have formulated internal documents including the Scheme for the Development of Teachers' Morality (《師德師風建設方案》), the Assessment Method for Teachers' Ethics (《教師師德考核辦法》), the Detailed Rules for the Implementation of a Long term Mechanism for the Development of Teachers' Morality (《師德師風建設長效機制實施細則》), the Measures for Handling the Moral Misconduct of Teachers (《教師師德失範行為處理辦法》) and the Measures for Assessing and Selecting "Advanced Individual" (Trial) (《「先進個人」評選辦法(試行)》), and formed a working group for teachers' ethics assessment.

In the Detailed Rules for the Implementation of a Long term Mechanism for the Development of Teachers' Morality (《師德師風建設長效機制實施細則》), the Group has clarified that the core socialist values shall be the fundamental guideline for teachers to cultivate morality and pursue self-improvement, and established a working mechanism for enhancing teachers' ethics, which integrates education, publicity, assessment, supervision and incentives and punishments. By setting up a normalized assessment mechanism, the working group for teachers' ethics assessment conducts a teachers' ethics assessment for all faculty every semester, regarding their ideological qualities, professional ethics, educational effectiveness and other dimensions, ultimately formulating a comprehensive review conclusion and an evaluation grade. The assessment results will serve as an important basis for the cultivation of teachers and staff, effectively preventing ethical misconduct of teachers.

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Should any ethical misconduct of teachers be identified, the Group would handle it in accordance with specific documents such as the Measures for Handling the Moral Misconduct of Teachers (《教師師德失範行為處理辦法》), upholding the principles of fairness and impartiality, as well as the integration of education and disciplinary action and ensuring clear facts, conclusive evidence, accurate definition, appropriate handling, lawful procedures and complete formalities. Universities and colleges have established a committee for the development of the ethics and teaching styles of teachers, and set up offices to coordinate and handle ethical misconduct of teachers. The information of the reporting email is publicly displayed in the "Ethics and Teaching Styles of Teachers "section on the school's official website to accept supervision and reports in accordance with laws and regulations. For minor misconduct with minor circumstances and limited impact, we will take measures such as critical guidance, reminder conversations, and circularized criticism, while for more severe misconduct, we will impose penalties such as disciplinary actions, demerit recording, removal from office and dismissal.

To recognize advanced individuals, set exemplary role models, and inspire the enthusiasm and initiative of all faculty in dedicating themselves to the educational undertaking, Hubei Jiankang Vocational College has thereby formulated the Measures for Assessing and Selecting "Advanced Individual" (Trial) (《「先進個人」評選辦法(試行)》) this year. The assessment and selection of advanced individuals is carried out once every year, and the rewards include "Excellent Teacher", "Outstanding Education Worker", "Outstanding Instructor" and "Outstanding Service Staff". This document clearly outlines the selection criteria, organization and procedures for various awards, and standardises the selection methods for advanced faculty. In addition, in 2025, other colleges, for example, Jingzhou College, also carried out the selection of exemplary models in the ethics and teaching styles of teachers, conducted learning and educational activities on the ethics and teaching styles of teachers and required faculty to sign the Commitment Letter on Teachers' Morality, Integrity and Self-Discipline (《師德師風廉潔自律承諾書》), aiming to vigorously promote the spirit of exemplary educators and further advocate the noble teachers' ethics and teaching styles.

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Case: Tianping College of Suzhou University of Science and Technology held a special lecture on teachers' ethics and teaching styles

To further implement the development of teachers' ethics and teaching styles and improve the ideological and political qualities and professional ethics of teachers, Tianping College organized a special lecture on teachers' ethics and teaching styles with the theme of "Benevolence is the Source of Teachers' Morality" on 14 May 2025, as part of its learning and educational activities on teachers' ethics and teaching styles in the spring semester of 2025. This lecture primarily centered on students' growth, elucidating for teachers what "education with love" is and what the infinite possibilities of education are, inspiring faculty to practice the mission of "character building and talent fostering". The attending teachers all expressed that they would take this lecture as an opportunity to continuously strengthen their ethical cultivation and become guides for students' character shaping and spiritual growth with noble teachers' ethics.

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4.4 Quality Employment Navigation

Chunlai Education has always been dedicated to cultivating high-calibre application-oriented talents, closely aligned with industrial development needs and dynamically optimized talent cultivation plans to continuously raise the employment rate of graduates. We have strictly and thoroughly implemented the Administration of Students of General Institutions of Higher Education (《普通高等學校學生管理規定》) and the Interim Provisions on Graduation and Employment of Colleges and Universities (《普通高等學校畢業生就業工作暫行規定》) promulgated by the Ministry of Education, as well as requirements of the relevant policies issued by the Henan Provincial Department of Education, and established an employment service system covering four aspects: institutional safeguards, service platforms, competency development and school-enterprise collaboration:

Institutional safeguard	Formulate and implement a series of documents such as the Graduates Employment Management Measures of Shangqiu University (《商丘學院畢業生就業工作管理辦法》) and the Implementation Plan of Jingzhou College's Special Action to Visit Enterprises to Expand Jobs and Promote Employment (《荊州學院訪企拓崗促就業專項行動實施方案》)
Service platform	Build a digital employment information system that integrates the release of employment information, organization of recruitment fairs, and follow-ups and surveys on employment situations
Competency development	Carry out comprehensive employment training programs to enhance students' competitiveness in employment
School-enterprise collaboration	Cooperate with enterprises and government authorities, co-build internship and practical training bases through resource sharing and complementary advantages, strive for talent entrepreneurship funds, and expand channels for start-up support

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Case: Shangqiu University conducted "Hongzhi Career-readiness Support Program" employment skills training for its graduates

From May to June 2025, Shangqiu University organized and conducted "Hongzhi Career-readiness Support Program" employment skills training for its graduates, with 60 graduates and pre-graduate students participating in this training. As a key initiative implementing the national policy arrangements of "ensure stability in employment" and "ensure security in job", this training is oriented toward enhancing students' employability. It encompasses five modules and ten specialized topics such as job search preparation, job search resources, written communication skills, direct communication skills and job search process management, covering the whole process from students' job search preparation to signing employment contracts and aiming to help students establish a correct employment direction, fully leverage their strengths, master job search skills and techniques, and comprehensively enhance their employability.

Environmental, Social and Governance Report

Case: Hubei Jiankang Vocational College hosted a campus recruitment fair themed on "Gathering Talents in Jingchu • Jointly Building a Pivotal Hub • Jobs from Hundreds of Counties for Hundreds of Schools" for 2025 graduates

On 20 May, Hubei Jiankang Vocational College, in collaboration with the Human Resources and Social Security Bureau of Tongshan County, hosted a campus recruitment fair themed on "Gathering Talents in Jingchu • Jointly Building a Pivotal Hub • Jobs from Hundreds of Counties for Hundreds of Schools" for 2025 graduates. Recruitment staff delivered all-round presentations involving dimensions such as enterprise management models, salary systems, career development channels and core business layouts. Job-seeking students holding their job application materials proactively engaged in in-depth discussions with enterprises, consulting on core concerns such as job suitability, growth space and regional development.

In the future, by means of organizing industry-specific recruitment fairs, establishing an online employment information platform and setting up targeted school-enterprise training mechanisms, the college will further expand the employment channels for graduates, establish school-enterprise employment cooperation relationships and build a robust employment bridge between graduates and enterprises, thereby improving the employment quality of graduates and building platforms and providing guarantee for ensuring stability in employment and ensuring security in job.

5. Comprehensive Risk Management and Control with Clean and Safe Operations

The Group attaches great importance to compliant operation and risk management and regards them as the cornerstone of its stable development. We strictly comply with national laws and regulations, such as the Audit Law of the PRC (《中華人民共和國審計法》), as well as industry standards and relevant regulations issued by the Hong Kong Securities and Futures Commission and the Hong Kong Stock Exchange, for the sake of complying with the Listing Rules and regulatory requirements. In order to strengthen risk prevention and control, the Group has established a sound risk management system, and formulated the Constitutions of the Risk Assessment Committee (《風險評估委員會章程》), the Implementation Rules for the Work of the External Audit Section of the Audit Department (《審計部外審科工作實施細則》), the Provisional Rules of Internal Audit Procedures (《內部審計工作程序實施細則》) and the Constitutions of the Audit Committee (《審計委員會章程》), aiming to comprehensively improve risk management capabilities and ensure the safety of corporate operations.

Sections:

- 5.1 Comprehensive Risk Management and Control
- 5.2 Strengthening Integrity Management
- 5.3 Protecting Data Security
- 5.4 Improving Supply Management
- 5.5 Protecting Intangible Asset

The SDGs[1] to which this chapter responds

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5.1 Comprehensive Risk Management and Control

The Group is committed to enhancing internal control and risk management, which continuously optimizes the effectiveness of our risk management system. We have integrated risk management theories into our system and built a scientific management process in seven stages, including risk analysis, risk assessment, risk control, risk communication, risk comments, risk examination and risk review and re-determination.The Board prudently reviews the effectiveness of the Group's risk management and internal control systems annually to ensure their efficient operation.

Risk Management System

The Group pays close attention to campus security risks, teaching quality risks, health risks and other emergencies related to students and teaching. To effectively deal with potential risks, we have established a number of contingency plans (primarily including the Plan for Fire Prevention and Emergency Evacuation (《滅火和應急疏散預案》), the Contingency Plan for Flood Prevention (《防汛工作應急預案》) and the Contingency Plan for Public Health Emergencies (《突發公共衛生事件應急預案》)) to ensure rapid and efficient handling of various emergencies. In addition, we have developed a sound rapid response mechanism on emergencies to ensure seamless connection of identification, reporting, commanding and handling of risks, so as to achieve rapid action, right response and decisive handling and to safeguard campus security and teaching order.

The Group identifies the significant physical risks of climate change to our operations, particularly the threats to school facilities, as well as the health and safety of teachers and students posed by natural disasters events such as typhoons, rainstorms and floods. In this regard, we have established a number of contingency plans (primarily including the Contingency Plan for Flood Prevention of Anyang University (《安陽學院防汛工作應急預案》), the Contingency Plan for Flood Prevention and Emergency Rescue of Anyang University (《安陽學院防汛搶險應急預案》) and the Contingency Plan for Major Natural Disasters of Jingzhou College (《荊州學院重大自然災害突發事件應急預案》)) at each of our campuses, to enhance the capability in flood control, typhoon prevention and resistance to natural disasters. Through these measures, we ensure that we are able to respond to natural disasters in a timely and efficient manner to protect the safety and health of our teachers and students and safeguard the normal operation of campus.

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Case: Convene A Legal Work Promotion Meeting

The Group convened a legal work promotion meeting on 15 July 2025 to enhance the awareness of legal work in colleges and universities through thematic learning, and make overall arrangements for key tasks. Shi Wanqing, the office director, presided over the meeting.

It was pointed out at the meeting that legal work should implement the instructions of the Group's leaders and further standardise, improve and enhance its professional level. The Group will continue to learn and broaden its professional horizons, proactively and gradually popularize legal awareness and raise compliance capabilities across all departments of the Group, and continuously improve contract approval processes and efficiency, striving to strengthen and enhance the Group's capabilities in law-based governance of education, school running and governance of our colleges and universities.

5.2 Vigorously Strengthening Integrity Management

The Group has been combating corruption and promoting integrity. All of our staff have strictly complied with the Code of Integrity and Self-discipline of the Communist Party of China (《中國共產黨廉政自律準則》), the "Ten Don'ts" on the Integrity and Self-discipline of Leading Cadres as Members of the Communist Party of China in Colleges and Universities (《高校黨員領導幹部廉潔自律「十不准」》), the Regulation of the Communist Party of China on Disciplinary Actions (《中國共產黨紀律處分條例》) and other relevant provisions. We have also thoroughly implemented the spirit of the eight-point decision of the Central Committee, incorporated the establishment of Party conduct and integrity into the work plan for the Year, and required all units to sign the Letter of Responsibility for the Establishment of Party Conduct and Integrity (《黨風廉政建設責任書》) in order to enhance the sense of responsibility, and to promote the work of combating corruption and promoting integrity to achieve more significant results. During the Reporting Period, the Group held the 2025 working meeting on full and strict governance over the Party and Ideology of Shangqiu University Kaifeng Campus, summarizing the work of the university on full and strict governance over the Party in the past year and making deployment for this year's work.

The Board and officers of colleges and universities of the Group have been actively fulfilling their responsibilities in anti-corruption and integrity promotion. During the Reporting Period, we organized a number of anti-corruption trainings activities, including a visit to the Integrity Culture and Education Base of Anyang Intermediate People's Court. These activities have effectively raised the integrity awareness of the Board and all employees. Looking ahead, we will continue to carry out training targeted at anti-corruption to further strengthen the education of integrity and self-discipline and the practice of combating corruption and promoting integrity.

The Group clearly puts an end to all "holiday corruption" conducts, e.g. the use of public funds to purchase cigarettes, alcohol, sweets, tea and other gifts; acceptance of gifts, cash, shopping cards, etc., in violation of regulations; engaging in recreational activities using public funds or arranging banquets unrelated to official duties; attending banquets that violate work discipline. The Group strives to build a clean culture, convey the new arrangement of clean government establishment, creates a clean holiday atmosphere, and prevents holiday corruption.

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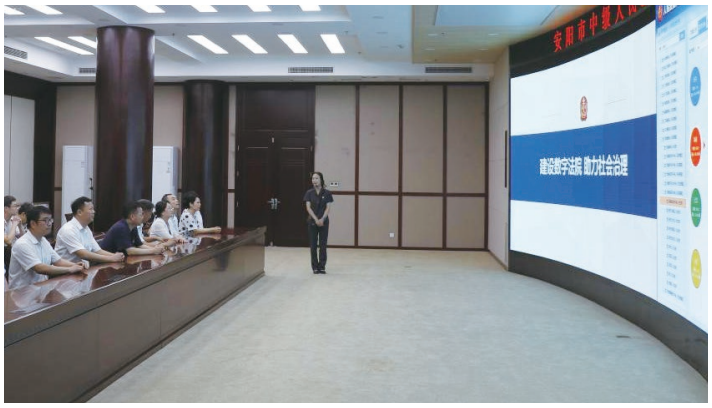
In terms of complaint handling, the school discipline inspection committee accepts the whistleblowing, accusations and complaints against Party organizations and members at all levels in our schools through multiple channels such as letters, visits, telephone calls and networks, and properly handles and solves the issues raised in strict accordance with relevant procedures of discipline inspection. During the Reporting Period, neither was the Group involved in any litigation cases related to corruption, nor did it violate the relevant laws and regulations that have a significant impact on operations of the Group.

Case: Visit the Integrity Culture and Education Base of Anyang Intermediate People's Court

During the Reporting Period, the Group led the relevant functional departments and committee members of the Group to conduct thematic programmes on Party discipline learning and education at the Integrity Culture and Education Base of Anyang Intermediate People's Court to solidly promote Party discipline learning and education. Through the visit, the employees of the Group visited places such as the office hall and the Corruption and Integrity Culture Corridor successively. During the visit, they listened to the explanations of the staff attentively, received education on integrity culture and enhanced their awareness of integrity and self-discipline.



Environmental, Social and Governance Report

5.3 Protecting Data Security

The Group is committed to providing an advanced and safe computer network environment for all teachers, students and employees. The Group strictly abides by information security related laws and regulations, e.g. the Regulations of the PRC on Protecting the Safety of Computer Information Systems (《中華人民共和國計算機信息系統安全保護條例》), the Measures for Security Protection Administration of the International Networking of Computer Information Networks (《計算機信息網絡國際聯網安全保護管理辦法》) and the Standards of Electronic Records Filing and Management (《電子文件歸檔與管理規範》). We constantly optimize the student privacy protection mechanism and focus on enhancing the protection of students' and parents' personal information, with a view to ensuring the safe and reliable network environment and better safeguarding the network security of teachers and students.

The Group has formulated the Regulations on the Management of the Security and Secrecy of Campus Network (《校園網安全保密管理規定》), which aims to strengthen the network security and information confidentiality, safeguard the information security of all students and teachers, and ensure the safe operation of the campus network. We have established a Network Centre, which is fully responsible for the network security and confidentiality affairs of colleges and universities. In addition, all departments, divisions and offices have appointed network and information security administrators to be responsible for network security and information secrecy of their departments, and we also regularly carry out education on information secrecy and network security for network users. The secrecy administrators of the Network Centre and all departments have the right to conduct regular or irregular inspections on network security and information secrecy and are responsible for reporting to department leaders. The above series of measures will effectively enhance the security protection capability of the campus network, ensure the proper operation of the campus network, and provide a stable teaching and management environment for colleges and universities.

In order to safeguard the safe and stable operation of campus information system, the Group has formulated the Information Security Management System (《信息安全管理制度》) and specified overall security strategies on physical and environmental safety, personnel information safety, operating system safety as well as computer and network operation management. We have also set up a Leading Group for Network Security and Informationisation, which is responsible for network management, maintenance and development to strengthen our information management and ensure that data security meets the Group's requirements. Data and software of the Group must be managed by a designated person. It is strictly forbidden to copy, download or lend data and software without permission and use media (e.g. floppy disks, CDs and USB flash disks) without authorisation. We have also established an information security expert advisory group to keep in touch with external experts, and to keep up with industrial trends and monitoring standards. We have standardised information system licence to maintain the security of our system and guarantee the information security of users. Through the above measures, we ensure the efficient and stable operation of the information system to provide strong support for school management and services.

During the Reporting Period, the Group recorded no violation of relevant laws and regulations on privacy matters relating to services provided.

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5.4 Improving Supply Management

The Group believes that supply chain management is crucial to our operations. We strictly review the qualification documents, performance data and samples submitted by suppliers in accordance with the Supplier Management System (《供應商管理制度》), the Administrative Measures for the Audit of Procurement of Goods and Services (《物資和服務採購審計工作管理辦法》), the Bidding Process Management (《招標流程管理》) and the Supplier Rating Standards (《供應商評級標準》). We have adopted comprehensive criteria in the evaluation process, taking into account factors such as suppliers' qualifications, service quality, price, compliance, etc., to enhance the development, supervision and management of suppliers. We have ensured the efficient operation of our supply chain by establishing an open and transparent supplier management system with a sound monitoring system. In addition, we conduct overall management and evaluation of all suppliers who have provided products and services to the Group for a long time, covering the purchasing of external goods, supplier qualification evaluation, credit rating evaluation and other aspects, in accordance with the Supplier Management System and the Evaluation Standard for Qualified Suppliers (《合格供應商評價標準》) to maintain the stability and quality of supply chain.

The Group strictly controls the purchasing process and suppliers according to the Purchasing Management System (《採購管理制度》) to ensure that the purchased products and services meet the specified requirements. We will divide the purchased items into three levels according to their impact on demand: Critical, Important and General. Different control levels will be implemented. The Group carries out unified management of purchasing, clearly regulates the work ethics of purchasing related personnel and strictly selects qualified suppliers. Meanwhile, we attach importance to procurement integrity and strengthen regulation on all processes of procurement through the Letter of Integrity Responsibility of the Procurement Department (《採購部廉潔責任書》) (any violations will incur punishments such as inclusion on a blacklist and penalties) to ensure rules for the management of purchased materials and procurement processes, build a procurement team with integrity, provide suppliers with a fair and impartial competition environment and guarantee the legitimate rights and interests of suppliers.

In accordance with the Supplier Management System (《供應商管理制度》), the Group has stipulated that all suppliers must comply with the requirements of relevant national regulations on production and business premises, comply with industry norms, and possess appropriate production capacity and corporate qualifications. In addition, environmental awareness, production technology level, financial status, credit standing and management level of suppliers are also included as evaluation criteria to ensure that the products and services procured meet the prescribed requirements. Only suppliers meeting all the stipulated requirements will be included in the "List of Qualified Suppliers", providing the Group with high-quality and stable products and services.

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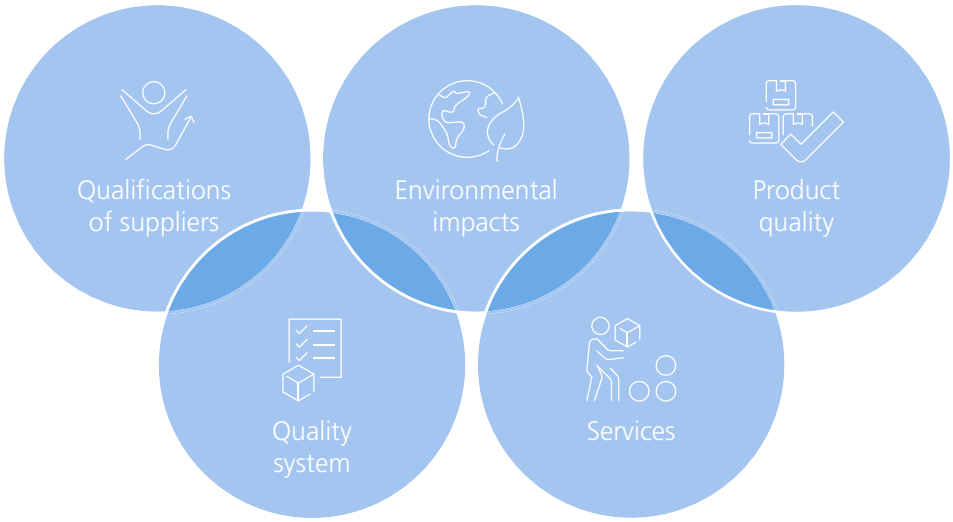
The supplier management and supervision procedures are as follows:

Preliminary investigation of suppliers	Suppliers providing key and important items need to be reviewed	Re-evaluate the selected suppliers quarterly
Fill in the Basic Data Sheet of Suppliers	Fill in the Evaluation Form for Suppliers	Only the selected suppliers can be included in the List of Qualified Suppliers

The Group comprehensively evaluates our suppliers in terms of quality, qualification, price of materials and sample qualification through the Evaluation Form for Suppliers to evaluate whether the product satisfies international or national standards and incorporates environmental and social risk factors into the evaluation. We value the environmental protection principles of our suppliers and pay attention to the environmental impact of their production processes to promote sustainable development. In the process of selecting suppliers, we will give priority to suppliers that use emerging energy or renewable energy, adopt sustainable packaging and transportation methods, and comply with national sustainable development strategies, aiming to implement green supply chain management and achieve environmental and sustainable development goals.

In terms of canteen management, we cooperate with sustainable and environment-friendly suppliers, select food ingredients and products with sustainable sourcing policies and practices, and prioritize local and seasonal food ingredients to reduce carbon emissions from transportation. During the Reporting Period, the Group made purchases with reusable utensils to reduce the use of plastic bags and used degradable eco-friendly plastic wrap. The focuses in our supplier evaluation are as follows:



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We will include the suppliers that meet the specified requirements into the "List of Qualified Suppliers" and ensure the orderly procurement of colleges and universities through regular inspections and performance evaluations. Existing suppliers are assessed on a monthly basis, and qualified suppliers are reassessed on a quarterly basis to maintain the stability and high efficiency of the supply chain.

During the Reporting Period, the Group had 3,393 major suppliers, and the regional distribution is as follows: 2,859 suppliers were in Henan, China, and 534 suppliers were in Hubei, China. The procurement categories were mainly equipment, services, recreational and office, animals and plants, books, clothing and fabrics as well as building materials.

5.5 Protecting Intangible Asset

The Group attaches great importance to the protection of intellectual property rights and is committed to safeguarding the rights and interests of academic achievements, patents and other intellectual assets. We strictly abide by the Law of the PRC on the Protection of Intellectual Property Rights (《中華人民共和國知識產權法》), the Patent law of the PRC (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Copyright Ordinance (《版權條例》) of Hong Kong, the Genuine Software Management Guide (《正版軟件管理工作指南》) and other relevant laws and regulations on intellectual property rights. The Group always respects the intellectual property rights of any third party, and expressly prohibits any employee from infringing or violating the patents, trademarks, copyrights or other intellectual property rights of third parties to ensure the legal use and protection of intellectual property rights.

In order to protect the legitimate rights and interests of the educational institutions, our faculty and students, boost the enthusiasm of our faculty and students for scientific research, innovation and invention, and promote the scientific progress and innovation of research of our colleges and universities, we have formulated the Administrative Measures for Intellectual Property Protection (《知識產權保護管理辦法》). We have also set up an Intellectual Property Management Committee specifically responsible for the management and protection of our intellectual property rights. The Committee has an office that is responsible for the management of our science and technology project initiation, achievement registration, appraisal and award submission, and it also undertakes the management of our science and technology project target documents, and the handling of our patent procuration, application, authorisation and annual fees. Faculties, teachers and students of our colleges and universities shall not damage our image, reputation or other legitimate rights and interests when using our logos, trademarks and other educational and service marks. In the event of any infringement upon other people's intellectual property rights, the infringer shall bear corresponding civil liability, administrative liability and even criminal liability. During the Reporting Period, we also formulated the Notice on Applying for the 2025 University-level Scientific Research and Innovation Teams (《關於開展2025年度校級科研創新團隊申報工作的通知》) to promote the application of 2025 university-level scientific research and innovation teams and enhance our scientific research and innovation capabilities and competitiveness.

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In order to encourage the scientific research and innovation activities of faculty and students, the Group has formulated incentive measures in accordance with the Measures for the Implementation of Chunlai Education Group's Rewards for Scientific Research Achievements of Subordinate Educational Institutions (《春來教育集團關於下屬各學校科研成果獎勵的實施辦法》). If the scientific research achievements of our faculty or students are awarded, their academic papers or monographs (including planned textbooks) are published, their patents are authorized, their scientific research projects are initiated or completed or their literary and artistic creation achievements are displayed or published, the Group will offer corresponding rewards. These initiatives aim to motivate the scientific enthusiasm of staff and students, enhance our core competitiveness and influence in the fields of teaching and scientific research, and promote the improvement of our scientific research level.

As of 31 August 2025, we had 325 registered patents, among which 197 patents are newly added.

6. Optimizing Employment Management and Caring for Employees' Development

The Group upholds the recruitment principle of "fairness, impartiality, and equal emphasis on morality and competence", establishes a standardised employment system by combination with subject requirements, strictly complies with national labour regulations, and protects the lawful rights and interests of its employees. By optimizing recruitment management and improving promotion evaluation mechanism, we ensure fairness and professionalism in talent selection and eradicate child labour and forced labour. In terms of employee protection, the Group provides "five insurances and the housing fund" in accordance with law, and implements the policy of housing subsidies to solve the housing difficulty of our teachers and staff. The holiday system comprehensively covers statutory holidays and special needs such as breastfeeding leave, fully reflecting humanistic care. In addition, the Group builds a layered training system, enhances professional capacity and morality development of teachers, and sets up the support mechanism for career development to ensure the alignment of talent growth with strategic goals. Through diversified cultural, sports and academic activities, we aim to strengthen team cohesion, create a positive and harmonious campus culture and continuously improve educational quality and talent competitiveness.

Sections:

- 6.1 Standardise Employment System
- 6.2 Care for Employees
- 6.3 Talent Development System

The SDGs[1] to which this chapter responds

Environmental, Social and Governance Report

6.1 Standardise Employment System

In human resources management, we create a harmonious and inclusive working atmosphere for our employees by upholding the philosophy of "putting students into first place". The Group strictly abides by the national labour laws and regulations such as the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Regulation on the Implementation of the Employment Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), the Law on the Protection of Minors《未成年人保護法》, as well as the Regulations on Prohibition of Child Labour (《禁止使用童工規定》) and the Regulations on Sanitary Work of Schools (《學校衛生工作條例》). Furthermore, in accordance with the recruitment principle of "fairness and impartiality, merit-based admission, professional and morality" and taking into account the discipline characteristics, teacher echelon and teaching needs of each schools, the Group has established a standardised employment system and formulated a series of internal policies such as the Standardised Administrative Measures on Recruitment (《招聘管理辦法》), Handbook for Teachers and Staff (《教職工手冊》), the Staff Promotion Method (《員工晉升辦法》) and the Administrative Measures for the Resignation of Teachers and Staff (《教職工離職管理辦法》) to directionally select the talents with both professional strength and good teacher morality.

Overview of the Group's employees during the Reporting Period is set out below:

Overview of Employees	Unit	2025
Total number of employees	person	5,800
Total number of employees (by gender)		
Female employees	person	3,456
Male employees	person	2,344
Total number of employees (by employee category)		
Short-term contract/part-time employees	person	1,053
Full-time junior employees	person	810
Full-time middle management	person	608
Full-time senior management	person	676
Other employees	person	2,653
Total number of employees (by age group)		
Employees under the age of 30	person	2,189
Employees aged 30-50	person	2,550
Employees over the age of 50	person	1,061
Total number of employees (by geographical region)		
Employees in Central China region	person	5,800

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Talent Attraction and Retention

The Group has consistently taken human resources as core strategic assets and achieved the sustainable development of human resources by establishing a comprehensive human resources protection system. We continuously improve recruitment management system to ensure that all recruitment activities adhere to the current national laws and regulations. Meanwhile, we have established a scientific evaluation mechanism for talent promotion to ensure fairness and professionalism during the course of selection and guarantee the career development rights and interests of our teachers and staff. We eradicate any use of child labour or forced labour and will immediately cease such conduct once identified and then form a dedicated investigation team to conduct a comprehensive investigation. During the Reporting Period, the Group has not experienced child employment or forced labour incidents, nor has it violated any laws or regulations in respect thereof and with a significant impact.

Fair employment guarantee

- We uphold the recruitment principles of openness, fairness, equality, competition, and merit-based selection to ensure that the recruitment and promotion procedures are fair and impartial as far as all employees are concerned
- We build a diverse and inclusive campus environment, and eliminate any discrimination based on factors such as age, gender, health conditions, or marital status
- We established a review mechanism to rigorously verify the background of job applicants
- Child labour and any form of forced labour are absolutely prohibited

Standardised recruitment process

- We conduct standardised recruitment pursuant to the Standardised Administrative Measures on Recruitment (《招聘管理辦法》) and the Handbook for Teachers and Staff (《教職工手冊》)
- The school leader in charge took the lead in setting up a recruitment leading team to coordinate the implementation
- We established a tiered assessment system covering preliminary qualification examination, professional written examination and trial lecture, and integrated re-examination, to comprehensively evaluate the professionalism and basic teaching ability of applicants
- We practice the approach of commitment to integrity, and the falsifier will be subject to termination of labour relations with us in accordance with law

Career development and promotion system

- We established a talent development institutional system with the Staff Promotion Method (《員工晉升辦法》), Measures for the Management of Reserve Cadres (《後備幹部管理辦法》), the Measures for the Quantitive Points of Qualifications for Professional and Technical Positions in Teaching Series (《教學系列專業技術職務任職資格量化積分辦法》), and the Young Teachers Development Programme (《青年教師培養方案》) as its standards
- We provide apparent on-campus competition channels where the evaluation criteria include work performance, professional achievements, performance of written test and interview and results of qualification review, with a view to selecting talents for promotion through comprehensive consideration

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Case: Shangqiu University hosted the 2024 President's Award for Teaching Quality award ceremony and honorary teachers and staff commendation conference

To vigorously promote the educator's spirit, Shangqiu University hosted the 2024 President's Award for Teaching Quality award ceremony and honorary teachers and staff commendation conference on 20 November 2024. At the commendation conference, the representative of the teachers and staff gloriously joining the campus for ten years and fifteen years, the representative of the advanced individual pacemakers for educating people, and the representative of the outstanding instructors for discipline competitions, among others, were presented with the awards. The award presentation not only served as recognition and praise of the contributors, but also aimed to rely on setting examples and praising the advanced to form the good campus-wide fashion of following the role models, pursuing excellence and striving for first-class.

Teachers and Staff Rights and Interests Protection

We have formulated and implemented the Attendance Management of Dedicated Teachers and Staff (《專任教職工考勤管理規定》), the Interim Provisions on Overtime Work and Leave for Teachers and Staff on Duty (《教職工值班加班調休暫行規定》) and other internal policies, to effectively protect the lawful rights and interests of teachers and staff, such as rest and days off as well as salaries and benefits. We standardise the management of working hours of teachers and staff to ensure that the teaching and scientific research work is carried out orderly. We also enforce a position responsibility system to clarify job responsibilities and performance standards and advocate efficient working culture, encouraging employees to complete their tasks to a high standard within the stipulated working hours. At the same time, the Group has established the system for periodically evaluating employment practices and continuously optimized management processes, with a view to building a fair, safe and healthy working environment for employees.

In terms of talent retention, we take talent retention as an important part of human resources management in accordance with the Administrative Measures for the Resignation of Teachers and Staff (《教職工離職管理辦法》). When a teacher/staff expresses his/her resignation intent, the Human Resources Department will initiatively arrange an interview to make an in-depth analysis of the reasons for his/her resignation, and adopt a personalized retention plan according to individual situation to effectively help resolve his/her practical problems in, among others, career development, professional improvement or life assurance. For employees who eventually decide to resign, we have developed a complete work handover mechanism to ensure the continuity and stability of teaching work, minimizing the impact of talents flow on students' programmes and other teaching affairs. These measures fully reflect the high priority we have attached to talent value and the continuous efforts we have made for the educational undertaking.

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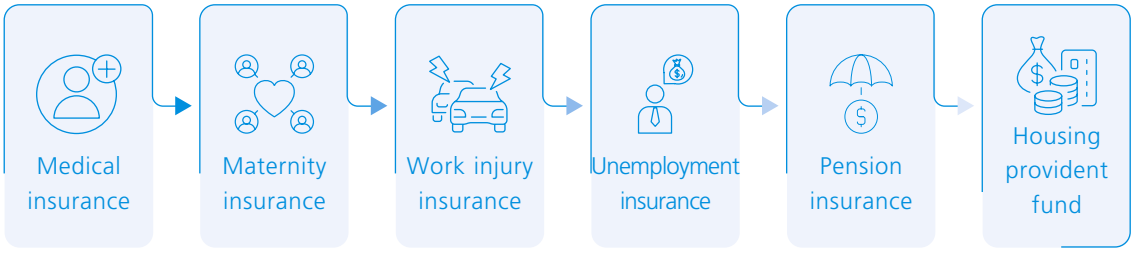
Case: The annual town hall meeting was held at Anyang University Yuanyang Campus

In September 2024, the Human Resources Department held a teachers and staff symposium to show genuine concern and gain thorough understanding of the problems and difficulties that teachers and staff encountered in work and life. The symposium was aimed to implementing the spirit and the work requirements of the "Year of Work Implementation" event, ensuring that the problems and weaknesses in work can be systematically sorting out, that the pressing difficulties and problems that concerned teachers and students most can be solved, and that the wisdom and strength can be concentrated for the campus long-term development.

6.2 Care for Employees

Benefits of Teachers and Staff

The Group views its employees as the most valuable asset. We provide all employees with benefits such as "five insurances and the housing fund" in strict accordance with the current national laws and regulations to ensure that the employees enjoy full and reliable life assurance.



In addition to the "five insurances and the housing fund", the Group formulated and implemented the Administration Measures for the Distribution of Housing Subsidies (《住房補貼發放管理辦法》) in accordance with the Housing Management Regulations (《住房管理規定》) and the Notice on the Implementation of Off-campus Housing Subsidies for Teachers and Staff (《關於啟動實施教職工校外住房補貼的通知》). The Measures are aimed to grant housing subsidies monthly to on-the-job teachers and staff who are not local residents and do not have their own houses in the city and whose spouses also do not have their own houses in the city. The off-site personnel with senior professional titles are also entitled to transportation subsidies. The purpose of this move is to effectively solve the housing difficulty of employees, enabling them to do scientific research and teaching without any worries and increase their sense of belongings, and eventually achieving the strategic goals of attracting and retaining excellent talents.

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For holiday arrangements, in addition to all national statutory holidays, the teachers and staff are allowed to apply for hourly leave, maternity or paternity leave, sick leave, marriage leave, funeral leave and winter holidays in accordance with rules and regulations. For breastfeeding female employees, the Group provides them with extra breastfeeding leave to fully meet their special needs. On the International Women's Day, we also distribute holiday benefits to all female teachers and staff of schools, further enhancing their sense of happiness and belongings.

Case: Anyang University distributed the International Women's Day benefits

Since its running, the university has always attached high priority to the humanistic care for teachers and staff. In the afternoon of 7 March 2025, Anyang University distributed holiday benefits and extended holiday blessings to all female teachers and staff for their hard work and exceptional contribution. This activity greatly increased the sense of belongings and the cohesiveness of teachers and staff.

Case: Jingzhou College launched an online seminar for spreading health knowledge

To respond to the call of the Healthy China Initiative (2019-2030) (《健康中國行動(2019-2030年)》) and the Action Plan for Healthy Lifestyle among All Nationals (2017-2025) (《全民健康生活方式行動方案(2017-2025年)》), Jingzhou College launched an online health knowledge seminar for all teachers and staff with the theme of "healthy life with the participation of all staff". The purpose of this event was to enhance the health awareness of the teachers and staff, advocate scientific and healthy philosophy, and guide them to pay more attention to comprehensive management of their physical and mental health while focusing on teaching and scientific research. The seminar served as not only the implementation of national health policies, but also the important reflection of the humanistic care given by the college to its teachers and staff. The seminar also enhanced the participants' abilities to respond to health emergency and raised their awareness towards preventing chronic and occupational diseases, further creating a campus atmosphere where the healthy lifestyle is valued and advocated.

Environmental, Social and Governance Report

Case: Shangqiu University organized all teachers and staff to undergo a medical checkup

Shangqiu University organized all teachers and staff to undergo a medical checkup from 30 December 2024 to 14 January 2025, in order to reflect the kindness and care given by the Group and the university to teachers and staff, protect the physical fitness of all of them, and improve their sense of happiness. To further make the health check more scientific and targeted, the medical checkup undergone by the teachers and staff in the current year was added with abdominal color doppler ultrasound and bilateral carotid artery color doppler ultrasound. Through concrete action, the university implemented the teacher caring measures, effectively improved the teachers' quality of life and sense of happiness, and provided a strong guarantee for them to better engage in their work.

On-Campus Cultural Life

Chunlai Education has continuously planned and launched cultural, sports, artistic and academic activities in various forms to provide teachers and staff with a platform to show themselves and learn from each other, so as to boost team collaboration and cross-functional communication, improve the cohesion, and further enrich on-campus cultural life, create a harmonious and positive campus atmosphere, and inject lasting vigor into the high-qualify development of the educational undertaking.

Environmental, Social and Governance Report

Case: Shangqiu University hosted a collective birthday party of June themed "Full of Warmth, Build Dreams Together" for teachers and staff

On 24 June 2025, Shangqiu University hosted a collective birthday party for teachers and staff, and the university leaders extended their cordial greetings to birthday persons and thanked them for their hard work and relentless efforts to the development of the university. This collective birthday party for teachers and staff was aimed to inspire the enthusiasm of the teachers and staff for their work, enhance team cohesion, and inject new vigor into the sustained development of the university. The university will continuously pay attention to the physical and mental health of its teachers and staff, host birthday party for them every month, and create a warmer working environment to make each of them feel the home-like warmth.

Environmental, Social and Governance Report

Case: Anyang University initiated Fitness Month with the theme of "Boosting Physical Health and Nourishing Teachers' Spirit"

The physical and mental health of teachers is a crucial cornerstone for the high-quality development of schools. On 14 May 2025, the opening ceremony of the Fitness Month themed "Boosting Physical Health and Nourishing Teachers' Spirit" was grandly held at the Anyang University Gymnasium. This Fitness Month features Baduanjin (eight trigrams boxing) as its main exercise, aiming to help faculty and staff relieve physical and mental fatigue through gentle and stretching movements. Participating teachers unanimously expressed that the Fitness Month precisely fits their needs, not only providing a scientific fitness platform for teachers with busy daily work but also effectively promoting communication and interaction among colleagues, and they looked forward to upcoming activities.

This Fitness Month is an important initiative promoted by Anyang University in a bid to deepen the construction of a healthy campus and support the growth and development of its faculty and staff. We hope that all teachers will take this event as an opportunity to cultivate the awareness of "Proactive Health", making exercise a habit and dedicating themselves to education with a vibrant mind and body. In the future, the university's labour union will continue to launch diverse sports activities to help build a harmonious campus ecosystem that promotes the physical and mental well-being of both teachers and students.

6.3 Talent Development System

Our Group and its affiliated schools have established a comprehensive, multi-tiered training management system, formulated well-defined training objectives alongside targeted and tailored training plans, and implemented institutional documents including Regulations on the Management of Teacher Development Training (《教師發展培訓工作管理規定》) and Management Measures for Pre-service Training of Newly Appointed Faculty and Staff (《新聘教職工崗前培訓管理辦法》), with an aim to significantly enhance teachers' professional competence and educational capabilities. This system features a dual-dimensional training mechanism that continuously optimizes faculty and staff's teaching skills and innovative practical capabilities from two dimensions, namely professional competence and ethics construction, while simultaneously reinforcing their value-driven guidance and commitment to the educational mission. We also provide career development guidance for teachers, continuously improving the excellence of their teaching and ensuring that training effectiveness aligns with the school's strategic development goals.

Environmental, Social and Governance Report

The Group provides pre-service training for newly appointed teachers, including:

Comprehensive quality training

- History and current conditions of the school
- Higher education theories and career development

Teaching skills improvement

- Teaching skills and application of information technology
- Ideological and political theory and practice on courses

Providing teaching instruction

- Implementation of the Plan on Providing Teaching Instructions to New Teachers (《新入職教師助課助教方案》) and Implementation Guidelines for the Mentor and Teaching Assistant (TA) System for Young Teachers (《青年教師導師助教制實施方法》)
- Through a mentorship program, new teachers receive guidance on education thoughts and concepts as well as teaching methods and skills to improve their teaching practise capabilities

Study and training on online courses (independent study)

- Higher education theory and career development module (How to grow into an outstanding college teacher and other courses)
- Teaching skills and application of information technology (Required teaching skills for college teachers and case study and other courses)
- Ideological and political theory and practice on courses ("Course Theory", "Teaching Theory" and other courses)
- Smart Education of China Higher Education (training courses for teachers)

Environmental, Social and Governance Report

The Group provides training programs for backbone teachers, including:

General teaching ability training

- Educational philosophy
- Teaching theory and technology
- Professional ethics
- Basic teaching norms
- Modern education technology

Special training for the development of new educational theory and technology at home and abroad

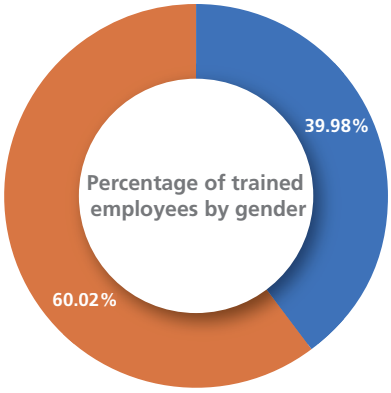
- We engage experts or famous teachers to attend the class or watch the video of the class, and make suggestions and consultation on teaching improvement
- Build a platform for teachers to exchange teaching research and reforms through the opening of teacher salons and new teacher workshops

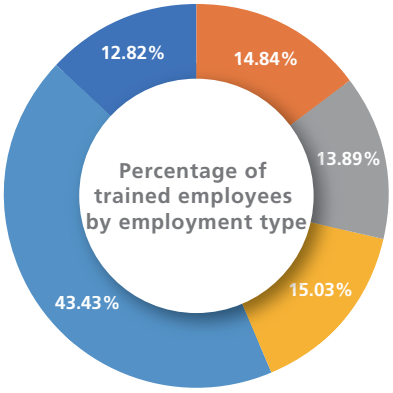
Dual-qualified teachers development plan

- Engineering laboratory technicians shall be required to enter a relevant enterprise for further studying and training for at least 3 months within five years
- Encourage in-service teachers to study for master's and doctorate degrees
- Establish a regular training system for laboratory technicians, and each laboratory technician shall be required to participate in a further study and training within five years

Environmental, Social and Governance Report

The chart below illustrates the distribution of employee training coverage as well as the average training hours per employee during the Reporting Period:





	Unit	2025
Average training hours of employees (by gender)		
Female	hour	65.80
Male	hour	52.74
Average training hours of employees (by employment type)		
Short-term contract/part-time employees	hour	35.52
Full-time junior employees	hour	69.12
Full-time middle management	hour	60.10
Full-time senior management	hour	43.21
Other employees	hour	57.97

Environmental, Social and Governance Report

Case: Shangqiu University successfully conducted its 2025 centralized training programme for new teachers

On 29 August 2025, the 2025 centralized training programme for new teachers at Shangqiu University successfully concluded. This week-long training programme aimed to help new teachers establish advanced educational philosophies, cultivate professional ethics, clarify their educational responsibilities, and enhance their teaching capabilities. It also sought to strengthen the quality and capacity of the teaching workforce, ensure the effective cultivation of high-caliber applied talents, and promote the high-quality advancement of education and teaching. To ensure the continuous professional growth of new teachers, a year-round decentralized training programme has also been implemented, which centers on the concept of "providing teaching instruction" and encompasses four key stages: teaching observation, teaching seminars, collabourative lesson planning, and teaching practice.

Environmental, Social and Governance Report

Case: Anyang University carried out a specialized training session on teaching competitions

To support young teachers in preparing for school-level and provincial-level teaching competitions and to systematically enhance their abilities in teaching design, classroom presentation and reflective improvement, the Teacher Development Center of Anyang University conducted a specialized training session on teaching competitions on 14 May 2025. This training session represents a significant initiative aimed at strengthening young teachers' teaching capabilities and serves as an effective approach to cultivating their professional skills. Through this training session, young teachers are better equipped to leverage competitive platforms to promote teaching excellence and integrate competitive experience with teaching practice, thereby advancing their teaching capabilities.

Environmental, Social and Governance Report

Case: Chunlai Education held a 2025 training course to enhance the professional skills and overall competencies of its core publicity team

From 24 to 25 May 2025, the Group held a 2025 training course in Henan Province to enhance the professional skills and overall competencies of its core publicity team. The training course concentrated on representative cases of universities and featured lectures delivered by industry experts and senior scholars, outlining a transformation direction of "efficiency revolution to mindset reconstruction" with a particular focus on technologies such as artificial intelligence and big data.

The participating trainees expressed that they would take this learning experience as an opportunity to engage in publicity work with greater enthusiasm, effectively turning the learning outcomes into practical working results, thereby making a significant contribution to the innovative integration of the Group's publicity efforts and its brand building. We will actively facilitate resource sharing and mutual learning through regular communication mechanisms, thematic seminars, and joint planning activities, striving to be "disseminators of positive energy on campus" and "guardians of the university's public image."

7. RESPONDING TO CLIMATE CHANGE AND OPTIMIZING RESOURCE UTILIZATION

We understand the importance of environmental protection, strictly abide by the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) and other national environmental regulations, actively take measures to reduce emissions, continuously control emissions and resource use in the process and improve the efficiency of resource utilization to practice corporate sustainable development.

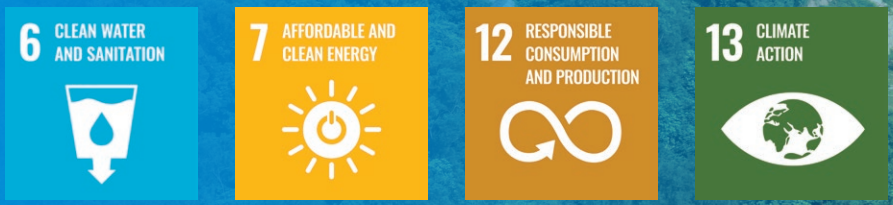
Chunlai Education integrated environmental protection measures and legal requirements into all aspects of campus management. We have not only followed the relevant regulations, but also formulated a series of environment-related management systems, including the Regulations on Saving Electricity in Canteens《(餐廳節約用電管理制度》), the College Programme on Prevention of Food Wastage (《餐飲浪費行為的工作方案》), and the Regulations on Disposal of Food Waste (《餐廚廢棄物處置管理制度》), which not only minimised the burden on the environment, realised the efficient utilisation of resources, created a green and low-carbon learning and living environment for our teachers and students, but also demonstrated the exemplary role of educational institutions in ecological civilization construction.

In its daily operations, Chunlai Education consistently implements the concept of green development, and effectively reduces the environmental impact of operational activities with systematic and all-round management measures such as power usage management, water resource management, supplies consumption control, waste disposal and greenhouse gas emissions management, making positive contributions to ecological environmental protection. During the Reporting Period, we strictly complied with relevant environmental protection regulations and did not experience any major environmental violations, demonstrating the Group's determination and effectiveness in practicing the concept of green development.

Sections:

- 7.1 Responding to Climate Change
- 7.2 Optimizing Resource Efficiency
- 7.3 Improving Waste Management
- 7.4 Greenhouse Gas Emissions
- 7.5 Strengthening Environmental Protection

The SDGs[1] to which this chapter responds



Environmental, Social and Governance Report

7.1 Responding to Climate Change

We strictly complied with the requirements under the Guidance on Climate Disclosures of the Stock Exchange, and systematically conducted the identification, assessment, and management of climate change risks based on our own business characteristics and actual operational conditions. Through establishing a sound risk assessment mechanism, we conducted in-depth analysis of the potential financial impacts of various climate-related risks and corresponding mitigation measures. Detailed information in this regard is set out in the table below.

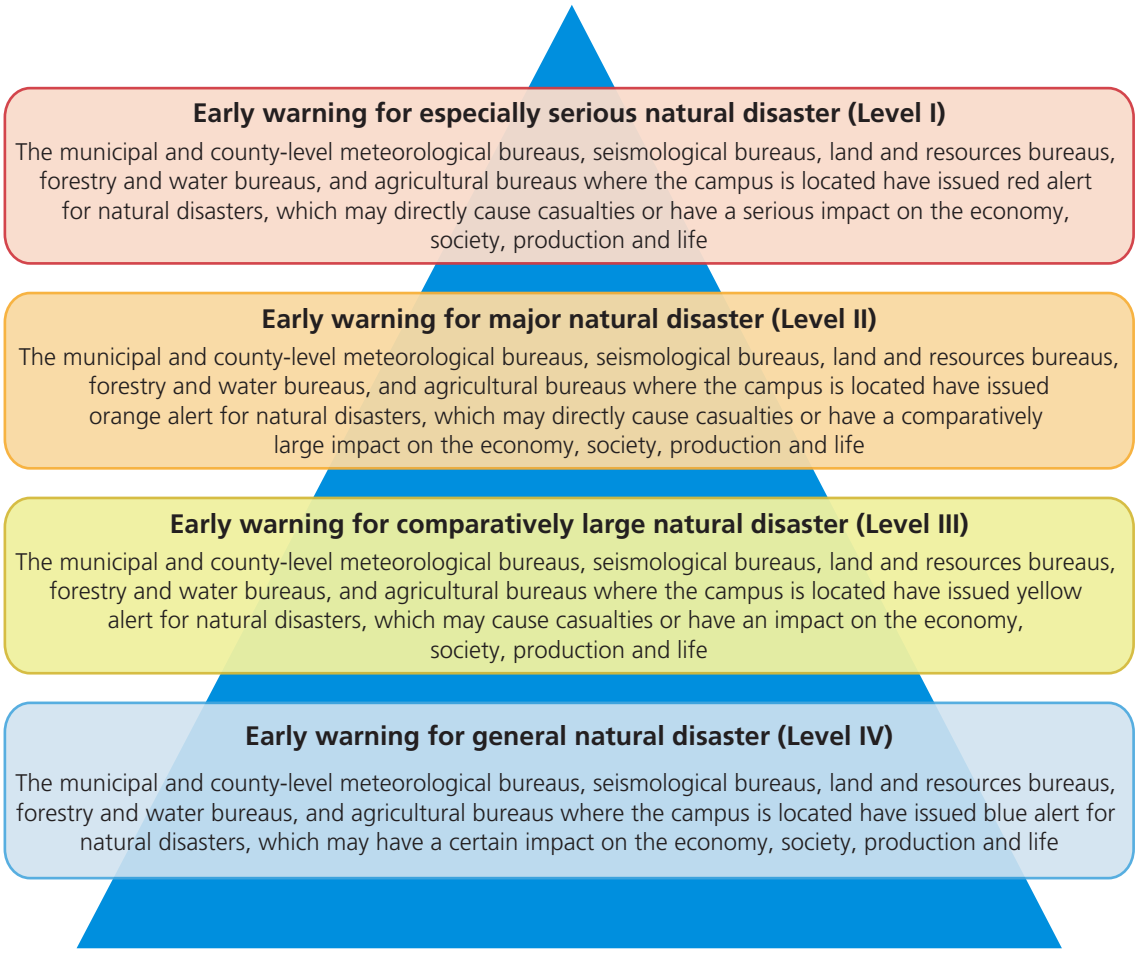
Type of climate risks	Potential risk	Potential financial impacts	Current response measures for risk mitigation
Physical climate risks	Acute risks (such as disasters caused by urban flooding and other extreme weather) Chronic risks (such as persistent high temperature, lack of water resources, etc.)	• Damage of infrastructure and facilities and depreciation of fixed assets • Extreme weather increases risks on the health and safety of teachers and students, and results in decreases in operation capability and revenue • Persistent high temperature weather increases electricity consumption, thereby affecting operating costs • Decrease in the availability of fresh water resources results in higher costs	• Formulated internal policies such as the Emergency Plan for Flood Control of Shangqiu University (《商丘學院防汛應急預案》) and the Emergency Plan for Public Emergencies of Natural Disasters of Anyang University Yuanyang Campus (《安陽學院原陽校區自然災害類突發公共事件應急預案》), which effectively prevent and address natural disasters. • Develop response measures to disasters • Provide disaster response training and escape drills to employees • Explore the possible use of renewable energy (large campuses may consider the use of solar energy, wind and other clean energy to replace fossil energy)

Environmental, Social and Governance Report

Type of climate risks	Potential risk	Potential financial impacts	Current response measures for risk mitigation
			• Reduce the risk on possible higher energy price in the future through the use of low-cost emission reduction measures • Actively participate in environmental protection and public benefit activities (such as planting trees) to mitigate global warming
Transformation risks	Policy and regulation risks	• Possible punishment for irregularities • Restrictions on investment amount subject to stricter ESG standards	• Understand the latest laws and regulations on climate change and integrate them into management strategies
	Market risks	• Failure to make effective feedback to stakeholders may affect investors' decision-making, thereby affecting investment • Exploration of new teaching models may increase operating costs • Reduction in the number of students may result in decrease in revenue	• Reduce its own carbon footprint and actively respond to climate change • Maintain teaching quality and textbook R&D to satisfy market demand
	Reputational risks	• Corporate reputation has indirect effects on the admission yield of schools and may result in decrease in operating revenue	• Disclose the Company's efforts in ESG in the ESG report • Provide more relevant trainings on green campus to teachers and students

Environmental, Social and Governance Report

To effectively respond to natural disasters, we formulated the Emergency Plan for Public Emergencies of Natural Disasters (《自然災害公共事件應急預案》), which ensures the rapid clarification of responsibility range and the swift allocation of work among various departments for emergency plan, and proposes emergency rescue measures in the event of a disaster. To enhance our response and resilience to natural disasters, we have divided the natural disasters into four levels based on the intensity and the degree of damage that may or have been caused and ensured explicit and practical response strategies under each circumstance, ensuring that emergency management work can be carried out in an orderly manner, as shown in the following figure:



To bear the responsibility of protecting the lives and property of our teachers and students, we have formulated an Emergency Response Plan for Major Natural Disasters (《重大自然災害突發事件應急預案》), which not only ensures rapid response when natural disasters occur, but also effectively reduces losses caused by major natural disasters. At the same time, we also strictly comply with relevant laws and regulations of the PRC. We will continue to track the latest developments in policies and regulations, actively promote our supply chain partners to jointly comply with relevant laws and regulations, and improve the emergency response plan system.

Environmental, Social and Governance Report

7.2 Optimizing Resource Efficiency

Energy Saving

The Group has always been committed to building green and energy-saving campuses. We strictly comply with environment-related laws and regulations such as the Energy Conservation Law of the PRC (《中華人民共和國節約能源法》), and proactively optimize energy use through the following measures to reduce energy consumption, incorporating environmental protection requirements into our daily operations. We have formulated and implemented the Water and Electricity Saving Management Regulations (《節水節電管理規定》), which includes measures such the adoption of energy-saving equipment, optimisation of electricity consumption processes, etc., and aim to maintain a flat or gradual decrease in electricity consumption intensity while ensuring normal operation.

Electricity Consumption	Unit	2025
Total electricity consumption	MWh	70,637.50
Total electricity consumption intensity	MWh/m^2	0.016
Total electricity consumption intensity	MWh/person[2]	12.18

On the other hand, we continue to improve natural gas consumption processes and enhance energy efficiency, for example, reducing the consumption of natural gas for cooking in restaurants and the consumption of petrol and diesel in transportation. We have also set up the Energy Conservation and Emission Reduction Leading Group, which is responsible for coordinating energy management work across the entire Group and supervising the implementation of all energy conservation measures. Our goal is to maintain or gradually reduce electricity intensity in the future, while operating at a similar level. We will endeavour to implement different measures to move towards low-carbon operations.

[2] Calculated based on the number of employees and students as at 31 August 2025.

Environmental, Social and Governance Report

The main energy saving measures we have implemented to reduce energy consumption are as follows:

Air-conditioning System

- Optimally adjust the number of cooling system equipment running according to the actual weather conditions to improve the safety of the operation of the cold air-conditioning system, and at the same time, put reasonable number of cooling water system equipment into operation based on the actual weather and the heat load of the restaurant to achieve the purpose of energy saving.
- The air conditioner in the dining area should be turned on 5 minutes before the meal, and the air conditioner should not be turned on too early. The temperature range of the air conditioner should be as follows: the air conditioner should not be turned on if the temperature is lower than 28°C in summer and higher than 10°C in winter, and the cooling temperature should not be lower than 26°C in summer and the heating temperature should not be higher than 20°C in winter.
- Adopt an intelligent temperature control system to automatically adjust the temperature based on the temperature difference between indoor and outdoor environments, effectively avoiding energy waste.

Power Saving System

- At time of seasonal changes, check the difference between the supply and return temperatures of air-conditioning water, and appropriately increase the supply temperature of chilled water to reduce the energy consumption of the refrigeration equipment when the raw conditioning load is small.
- Rationalise the capacity and number of units of transformers depending upon the size and performance of the electrical load, and control the operating load so that it is 70-90% of the rated capacity.
- Reduce the power consumption of electronic office equipment and energy consumption of standby equipment. Reasonably switch on and use computers, printers, photocopiers, scanners and other power-using equipment, and switch off the power at the end of work to prevent such equipment from going into standby mode.

Lighting System

- Use energy-saving lighting fixtures: replace incandescent lamps with fluorescent lamps; replace high-pressure mercury lamps with high-pressure sodium lamps or metal halide lamps; replace ordinary inductive rectifiers with electronic rectifiers, including replacing existing lighting equipment with LED lights during the Reporting Period.
- Ensure that lights are not left on indefinitely or during daylight hours. Offices should maximise the use of natural light on sunny days. In larger office spaces, minimise the number of lights turned on when there are few people present, and always turn off lights when leaving the area. For stairwells, corridors, and other public spaces, maintain appropriate illumination levels while appropriately reducing the number of lights switched on in the corridors, or implement zoned control systems. Dedicated personnel are assigned to adjust lighting brightness and switching time, and corresponding lighting modes are set based on different areas.
- Regularly check the lighting facilities in the canteen to prevent electrical leakage and unnecessary power consumption. For stairwells, corridors, and other public spaces, maintain appropriate illumination levels while appropriately reducing the number of lights switched on in the corridors, or implement zoned control systems to activate lighting only as needed.

Environmental, Social and Governance Report

Water Resource Management

As a key resource in the operation process, the effective utilization and protection of water resources is of crucial importance to us. We are also committed to fully implementing water resource management in our operations to promote water efficiency and conservation. We strictly comply with the requirements of national and regional regulations such as the Water Pollution Prevention and Control Law of the PRC《中華人民共和國水污染防治法》and the Regulations on Water Pollution Prevention and Control of Henan Province《河南省水污染防治條例》, ensuring that our water resource management meets our standards. In specific practice, we carry out strict control in water source management, water use process optimisation and waste water discharge control, and actively take measures such as adoption of water-saving equipment and optimization of process. At the same time, we formulate and implement water conservation programmes, continuously striving to maintain or reduce our water consumption intensity while ensuring normal operations to achieve more efficient resource utilization.

All domestic wastewater generated by the Group during its operations is discharged into the municipal sewage network and then transported to urban wastewater treatment plants for centralised treatment, ensuring compliance with discharge standards. At present, the Group does not face any issues regarding access to suitable water sources in our operations. By implementing systematic water resource management measures, we continue to improve water-saving initiatives, optimize water use efficiency, define water use requirements for each department, and organize programs on water conservation training. We emphasize the need for water conservation in daily operations and post water-saving signs to enhance the awareness of water conservation among the Group's employees. In the future, we will continue to implement a series of measures to strengthen water resource management, achieve water-saving goals, and continuously improve water-saving effectiveness.

Water Conservation Training

Water-Saving Signs

Environmental, Social and Governance Report

Water-saving

- Repair rainwater collection systems. Collect and use rainwater for irrigation of green spaces to reduce the use of tap water.
- Install water meters to monitor and track water consumption.
- Water for students in dormitory buildings is delivered in accordance with the rules of the college, and individuals are responsible for overspending.
- Use a container of water to rinse the mop, and minimise the use of direct tap water for rinsing.
- Introduce an intelligent water management system to monitor water consumption in real time and effectively reduce water resource waste.
- Use water-saving dishwashers and vegetable washers to avoid wasting water resources.
- Use an appropriate amount of water for cleaning and replace equipment such as faucets regularly to prevent water leakage.

Regarding wastewater treatment, we have formulated a series of measures to ensure the proper treatment of wastewater generated from the Group's business operations.

Wastewater treatment

- Establish a wastewater treatment system and adopt biological treatment, sedimentation, disinfection, and other processes to ensure that the treatment of domestic wastewater and canteen wastewater meets standards.
- Establish and improve a wastewater discharge monitoring system, conduct regular water quality testing, and ensure that discharges comply with standards.

Environmental, Social and Governance Report

To ensure the effective use of water resources and safeguard the safety of drinking water for teachers and students at all campuses, we have put in place a series of systematic management measures. By strengthening the daily maintenance and management of water fixtures on campus, we ensure that they remain in good working condition, thereby achieving the best level of water use efficiency. At the same time, the Group has also established a institutional system including the Management Regulations on Water and Electricity Conservation《節水節電管理規定》, the Appraisal System for Water-saving《節約用水考核制度》 and the Construction Plan for Water-saving Facilities《(節水設施建設方案》, providing institutional guarantees for the standardisation of water conservation. The relevant water consumption data for the Reporting Period is set out below:

Water consumption	Unit	2025
Total water consumption	tonnes	1,236,326.00
Total water consumption intensity	tonnes/m^2	0.29
Total water consumption intensity	tonnes/$person^2$	213.16

To further reduce water resource consumption, we plan to implement a number of water-saving measures in the future to effectively reduce water consumption.

Environmental, Social and Governance Report

7.3 Improving Waste Management

The Group has established a comprehensive management system in respect of waste management, and strictly abides by the relevant regulations of Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), the Measures for the Management of Kitchen Waste in Kaifeng City (《開封市餐廚廢棄物管理辦法》) and the Administrative Measures for Urban Living Garbage (《城市生活垃圾管理辦法》). For the non-hazardous wastes and hazardous wastes generated in the course of our operations, we implement standardised classified collection measures and commission qualified third-party organizations to dispose of them. During the Reporting Period, the Group also conducted trainings on the relevant laws and regulations on kitchen waste to enhance the environmental awareness among the Group's staff.

In order to strengthen management efficiency, we have specially formulated the Regulations on Disposal of Food Waste (《餐廚廢棄物處置管理制度》). Dedicated personnel are arranged to record and monitor the whole process of key information such as the types, quantities, destinations and uses of kitchen waste, which will be handled by waste recyclers uniformly. Records of waste disposal are also kept on a regular basis. We continue to curb food and beverage waste through conducting a series of awareness drives and implementation of targeted measures. We regularly assess the waste management in our restaurants to ensure that all measures can be implemented effectively.

Training on the Xinxiang Municipal Measures for the Management of Kitchen Waste (《新鄉市餐廚廢棄物管理辦法》)

Environmental, Social and Governance Report

Improving waste disposal

- Strengthen the management of low-value consumable items. Consumable items of the canteen are uniformly kept by the warehouse keeper, and other personnel are not allowed to collect them without the consent of the canteen manager. The consumable items should be stipulated in terms of the time of use, the person who uses and the number used, and individuals who fail to act according to the stipulations shall bear any relevant costs in excess of budget.
- Organic waste is used as fertilizer on farmland to make effective and proper use of waste.
- Sort recyclable waste, including regular collection of wastepaper and scrap metal.

Improving food waste disposal

- Waste of used grease must be disposed of in accordance with laws and regulations.
- Improper dumping or piling of food waste is strictly prohibited.
- Put effective disinfection equipment in place, advocate for reducing catering waste, and promote positive and healthy eating concepts.
- Encourage students to eat in the dining halls to reduce the use of take-away boxes and plastic bags, actively promote reusable tableware in schools, and reduce the use of extra packaging materials at food handling and storage levels.
- A series of campus cultural activities have been organised to actively create a good campus atmosphere of thrift and frugality, raise students' awareness of food safety, reduce catering waste and promote positive and healthy eating concepts.
- Food safety campaigns are conducted through the campus food safety bulletin board to advocate for food waste reduction.

Environmental, Social and Governance Report

Actively promote recyclable tableware in schools

Replace plastic bags with plastic baskets for food storage

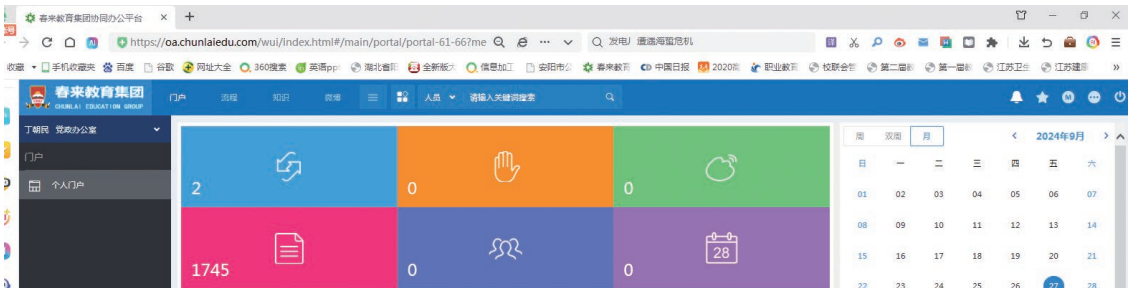
Environmental, Social and Governance Report

Advocate for the "Clean your plate" campaign to reduce catering waste

In order to ensure that the canteen wastewater is effectively treated, the Group adopted professional wastewater treatment measures and cooperated with a qualified wastewater treatment company to carry out professional sewage pumping and treatment of wastewater generated by the canteen. We have installed fully automatic oil-water separator equipment for catering wastewater at the canteen wastewater discharge outlet.

The Group's non-hazardous waste is mainly domestic waste generated from school life. During the Reporting Period, we continued to implement a number of measures to reduce waste, and will maintain or gradually reduce waste generation in the future with a similar level of operation. The total non-hazardous waste generated is 13,923.00 tonnes and the non-hazardous waste generation per capita is 2.40 tonnes. In the future, we will implement diversified measures in an effort to reduce the amount of waste generated.

To comprehensively improve the work process, the Group has positively promoted a paperless office policy and introduced an OA (Office Automation) system. All processes, including financial reimbursements, asset management, and personnel-approval matters, are now conducted online and via mobile devices, significantly reducing the usage of paper documents. At the same time, both the Group and its affiliated six universities uniformly utilise the OA coordinated office platform to integrate daily tasks such as leave applications and meeting room bookings into digital management including leave applications, procurement processes, and document printing and distribution. This not only enhances work efficiency but also effectively conserves resources, successfully building a more environmentally friendly and efficient new office model.



OA coordinated office platform

Environmental, Social and Governance Report

7.4 Greenhouse Gas Emission

Greenhouse Gas Emission Management

The Group has implemented greenhouse gas emissions inventory work across six colleges including Shangqiu University, Anyang University, Shangqiu College Kaifeng Campus, Anyang University Yuanyang Campus, Jingzhou College, and Hubei Jiankang Vocational College. Our GHG emissions inventory work adheres to the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (《溫室氣體盤查議定書－企業會計及報告標準》), which is established by the World Business Council for Sustainable Development and the World Resources Institute, as well as the ISO 14064-1 standard issued by the International Organization for Standardisation, thereby increasing the accuracy of emissions data.

During the Reporting Period, we continued to put into practice the greenhouse gas emissions targets set in 2022, striving to maintain or reduce our overall carbon emissions on the basis of maintaining the existing scale of operation.

Greenhouse gas emission performance	Unit	2025
Greenhouse gas emissions		
Direct greenhouse gas emissions (Scope 1)	tonnes of carbon dioxide equivalent	3,265.77
Greenhouse gas emission removals from newly planted trees (Scope 1)	tonnes of carbon dioxide equivalent	818.75
Indirect greenhouse gas emissions (Scope 2)	tonnes of carbon dioxide equivalent	40,284.57
Total greenhouse gas emissions (Scopes 1 & 2)	tonnes of carbon dioxide equivalent	42,731.58
greenhouse gas emissions intensity (Scope 1 & 2) (per square metre)	tonnes of carbon dioxide equivalent/㎡	0.010

The Group's greenhouse gas emission is mainly generated from the fixed equipment, the fuel consumption of vehicles, the use of refrigerants (Scope 1) and the consumption of purchased electricity (Scope 2). During the Reporting Period, the intensity of greenhouse gas emission (Scope 1 & 2) was 0.010 tonnes of carbon dioxide equivalent per square metre, representing a decrease from last year. The Group has implemented a series of measures to reduce its carbon emissions, including encouraging green commuting and reducing the use of private vehicles for transportation. In the future, we will continue to enhance the emission monitoring, and implement a series of carbon reduction measures to further reduce greenhouse gas emissions.

Environmental, Social and Governance Report

Exhaust emissions

The Group's main sources of exhaust emissions generated during the operation are fuel combustion in school-owned vehicles, cooking fumes emitted from school canteens and consumption of garden machinery. Exhaust emissions include pollutants such as sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM). The Group strictly complies with the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》) and other laws and regulations and continues to improve air quality. We have installed professional filters for fume exhaust systems of all restaurants and regularly cleaned the flue purifiers to ensure that emissions are in compliance with the national industry standards. Meanwhile, we have implemented a number of measures to improve the environmental quality from the source and effectively reduce air pollutant emissions.

Reducing Air Pollutant Emissions

- Conduct a comprehensive inspection on the existing oily fume purification facilities of the restaurants and introduce oily fume purifiers with high efficiency and low energy consumption to ensure compliance with national environmental protection standards.

- Regularly maintain and clean the oily fume purifiers to ensure that they remain in efficient operation.

Type of emission	Unit	2025
Nitrogen oxides (NO_x)	kg	633.03
Sulphur oxides (SO_x)	kg	1.13
Particulate matter (PM)	kg	48.13

7.5 Promoting Environmental Protection

We are dedicated to cultivating students' sense of environmental responsibility by integrating environmental concepts into environmental education. Environmental protection education guided by green culture not only enhances students' environmental literacy, but also deepens students' understanding of sustainable lifestyles. In daily teaching activities, we focus on fostering students' conscious environmental protection behavioral habits, thereby promoting the development of green campus culture. We also enhance environmental awareness among teachers and students by holding lectures, exhibitions, competitions and other activities with the them of energy conservation and emission reduction. Additionally, we promote environmental protection concepts by organising community activities such as beach cleanups, used clothing recycling, and tree planting activities.

Environmental, Social and Governance Report

Case: An activity with the theme of cherishing food was organised

During the Reporting Period, the Group's Young Volunteers Association of Shangqiu University organised an activity with the theme of "Learning Food Knowledge Together, Living Up to Our Good Food". We passed on food knowledge and conservation concepts through lectures, interactive games and on-campus awareness drives, covering more than 1,000 students in the whole university, effectively raising students' awareness of loving and saving food.

Case: A charity clothing donation activity was launched

The Group's Young Volunteers Association of Shangqiu University conducted a campus-wide clothing donation activity of "Spreading Love in the Name of Clothes" (「衣愛之名，讓愛循環」) from 3 to 7 June 2025. The activity was publicised through different channels and more than 50 volunteers were trained, with donation points set in 4 areas. A large number of teachers and students were attracted to participate in the activity during its duration, and collected clothes such as coats and sweatshirts for donation to impoverished regions. Some of the clothing will be recycled.

Environmental, Social and Governance Report

Case: A beach cleanup event was conducted

The School of Computer Science and Mathematics of the Anyang University Yuanyang Campus of the Group, together with the Yuanyang County Committee of the Communist Youth League of China, organized young Party members and League members as volunteers to carry out environmental volunteer activities along the Yellow River under the theme "Protecting the Mother River". The event took concrete actions to protect the ecology of the Yellow River Basin and raised our students' environmental awareness through various means such as cleaning up the garbage on the banks of the river and distributing knowledge leaflets on the protection of the Yellow River ecology.

8. Proactively Contributing to Society and Fulfilling Corporate Responsibilities

With a focus on the education sector, the Group precisely empowers sustainable social development by assisting people in need. We firmly believe that enterprises can effectively drive sustainable development in society. Therefore, we not only actively practice this belief but also mobilise teachers and students to participate in public welfare activities, transforming social responsibility into concrete actions.

Section:

- 8.1 Public Welfare Practices

The SDGs[1] to which this chapter responds

Environmental, Social and Governance Report

8.1 Public Welfare Practices

Chunlai Education adheres to its original aspiration and transforms the care from all parties into practical actions to fulfill its corporate social responsibility. By establishing a volunteer team and guiding it to deeply participate in public welfare activities, and formulating relevant policies, including the Rules and Regulations of the Young Volunteer Association of Shangqiu University Kaifeng Campus《商丘學院應用科技學院青年志願者協會規章制度》and the Volunteer Registration System of the Young Volunteer Association《青年志願者協會志願者註冊制度》, the Group is able to regulate its social service. We are committed to realising the co-creation and sharing of corporate resources and social value, demonstrating our long-term commitment.

In 2025, the Group had 322 employee volunteers and 30,776 student volunteers. The number of employees and students participating in the activities reached 474 and 25,519 instances, respectively. Employee volunteer teams contributed a total of 16,738 service hours, while student volunteer teams contributed a total of 75,354 service hours. Our total donation amounted to RMB17,800.

Case: Conducting a publicity campaign on medical insurance payment

On 22 November 2024, the Young Volunteer Association of Shangqiu University Kaifeng Campus organized a visit to Jiatai Community to carry out a publicity campaign on medical insurance payment themed on "Young Volunteer, Love in the Community". During the activity, volunteers took active actions including patiently answering questions from the elderly, providing detailed introduction of medical insurance policies, payment procedures, and various medical insurance payment channels to simplify the payment process. Volunteers also offered one-to-one or multiple-to-one guidance and assistance to the elderly individuals unfamiliar with smart devices.

Environmental, Social and Governance Report

Case: Providing support to the new students with financial difficulties

During the Reporting Period, Shangqiu University distributed over 100 care packages to the new students from financially disadvantaged families, providing support for their daily lives to convey the school's attentive care and warmth. Additionally, to gain a deeper understanding of the actual situation faced by these students, the Group also conducted a summer home visit activity themed on "Sending Care, Solving Problems, and Promoting Growth", through which it further passed on the school's concern and warmth.

Environmental, Social and Governance Report

Case: Holding Chung Yeung activities for the elderly

On 11 October 2024, young volunteers from the School of Computer Science and Mathematics of Anyang University organised a series of activities for the Chung Yeung Festival under the theme of "Respecting the Elderly in Chung Yeung, Warming the Hearts of the Elderly". Through this initiative, they expressed gratitude and respect to the elderly, achieving positive educational outcomes. During the activities, the young volunteers presented engaging cultural performances to the elderly, including choral singing, dance, and instrument playing, and had conversations with the elderly about their daily lives, conveying their deep affection to the elderly.

Case: "Learn from Lei Feng" Voluntary Blood Donation Month Activity

On 5 March 2025, the Young Volunteer Service Team of Jingzhou College took part in the launch ceremony of the "Learning from Lei Feng" voluntary blood donation month activity themed on "Following Lei Feng's Spirit, Warming Jingzhou with Youth" at the Jingzhou Citizen Center, which was organised by the Jingzhou Municipal Committee, the Municipal Health Commission, and the Municipal Red Cross Society. The event encouraged participants to continuously engage in voluntary blood donation services and promoted knowledge about voluntary blood donation, calling for more people to join the blood donation team and expanding the impact of public welfare.

Environmental, Social and Governance Report

APPENDIX I: SUMMARY OF SUSTAINABLE DEVELOPMENT DATA

Environmental Area[3]	Unit	2024	2025
Air pollutant emissions			
Nitrogen oxides (NO_x)	kg	613.75	633.03
Sulphur oxides (SO_x)	kg	1.12	1.13
Particulate matters (PM)	kg	46.68	48.13
Greenhouse gas emissions[4]			
Direct greenhouse gas emissions (Scope 1)	tCO2e	49,806.89	3,265.77[5]
Greenhouse gas emissions removals from newly planted trees (Scope 1)	tCO2e	748.37	818.75
Indirect greenhouse gas emissions (Scope 2)	tCO2e	14,859.66	40,284.57
Total amount of greenhouse gas emissions (Scope 1 & 2)	tCO2e	63,918.18	42,731.58
Intensity of greenhouse gas emissions (Scope 1 & 2) (per square meter)	$tCO2e/m^2$	0.015	0.010
Electricity consumption			
Total electricity consumption	MWh	26,055.87	70,637.50
Total electricity consumption intensity (per square meter)	MWh/m^2	0.006	0.016
Total electricity consumption intensity (per person)	MWh/person[2]	0.24	12.18
Fixed equipment fuel consumption			
Natural gas consumption	m^3	614,916.12	636,167.79
Gasoline consumption	tonne	5.83	16.61
Diesel consumption	tonne	1.50	5.18
Liquefied petroleum gas consumption	tonne	50.60	78.10
Motor vehicle fuel consumption			
Gasoline consumption	litres	56,251.59	56,461.76
Diesel consumption	litres	15,374.75	14,221.18

3 The collection covers six schools under the Group: Shangqiu University, Anyang University, Shangqiu University Kaifeng Campus, Anyang University Yuanyang Campus, Jingzhou University and Hubei Jiankang Vocational College.

4 We refer to "How to Prepare an Environmental, Social and Governance Report – Appendix II: Environmental Key Performance Indicators Reporting Guide" of the Stock Exchange to calculate the Group's air pollutant emissions and greenhouse gas emissions.

5 The decrease in direct greenhouse gas emissions (Scope 1) compared with last year was mainly due to the fact that Anyang University Yuanyang Campus and Shangqiu University ceased to use liquefied natural gas in the year.

Environmental, Social and Governance Report

Environmental Area[3]	Unit	2024	2025
Water consumption			
Total water consumption	tonne	787,530.91	1,236,326.00[6]
Total water consumption intensity (per square meter)	tonne/m^2	0.18	0.29
Total water consumption intensity (per person)	tonne/person[2]	7.26	213.16
Hazardous waste production			
Batteries	kg	16.81	2.36
Used ink cartridges and used toner cartridges	kg	382.50	48.32[7]
Non-hazardous waste production			
Total non-hazardous waste production	tonne	10,554.00	13,923.00[8]
Non-hazardous waste production intensity (per person)	tonne/person[2]	0.10	2.40
Paper consumption			
Total paper consumption	kg	667,649.06	634,757.19
Paper consumption per capita (per person)	kg/person[2]	130.35	109.44

Social Area[9]	Unit	2024	2025
Total number of employees	person	5,180	5,800
Total number of employees (by gender)			
Female employees	person	2,952	3,456
Male employees	person	2,228	2,344
Total number of employees (by employee category)			
Short-term contract/part-time employees	person	692	1,053
Full-time junior employees	person	921	810
Full-time middle management	person	571	608
Full-time senior management	person	648	676
Other employees[10]	person	2,348	2,653

6 The increase in total water consumption compared with last year is mainly due to the increase in the number of teachers and students and the longer working hours of teachers and staff in the schools.

7 The decrease in the generation of used ink cartridges and used toner cartridges last year is mainly because some ink cartridges in schools can be reused currently and the usage of printers has decreased.

8 The increase in non-hazardous waste production compared with last year is mainly due to the increase in the number of teachers and students in the year and the longer working hours of teachers and staff in the schools.

9 Social area collection covers the whole Group.

10 Other employees refer to employees without titles.

Environmental, Social and Governance Report

Social Area[9]	Unit	2024	2025
Total number of employees (by age group)			
Under the age of 30	person	1,900	2,189
Aged 30-50	person	2,187	2,550
Over the age of 50	person	1,093	1,061
Total number of employees (by geographical region)			
Employees from Central China region	person	5,180	5,800
Turnover rate[11]			
Total employee turnover rate	%	10.04%	8.95%
Employee turnover rate[12] (by gender)			
Female employees	%	11.65%	8.97%
Male employees	%	7.90%	8.92%
Employee turnover rate[12] (by age group)			
Under the age of 30	%	15.37%	9.87%
Aged 30-50	%	8.37%	6.35%
Over the age of 50	%	4.12%	13.29%
Employee turnover rate[12] (by geographical region)			
Employees from Central China region	%	10.04%	8.95%
Trained employees percentage[13] (by gender)			
Female employees	%	56.99%	60.02%
Male employees	%	43.01%	39.98%
Trained employees percentage[13] (by employees category)			
Short-term contract/part-time employees	%	13.36%	12.82%
Full-time junior employees	%	17.78%	14.84%
Full-time middle management	%	11.02%	13.89%
Full-time senior management	%	12.51%	15.03%
Other employees	%	45.33%	43.43%

[11] Calculation method = number of employees lost ÷ number of employees at the end of the year × 100%.
[12] Calculation method = number of employees lost in the category ÷ number of employees in the category at the end of the year × 100%.
[13] Calculation method = number of employees trained in this category ÷ total number of employees trained in this category × 100%.

Environmental, Social and Governance Report

Social Area[9]	Unit	2024	2025
Average training hours[14] (by gender)			
Female employees	hour	17.09	65.80[15]
Male employees	hour	11.22	52.74[15]
Average training hours[14] (by employee category)			
Short-term contract/part-time employees	hour	0.09	35.52
Full-time junior employees	hour	26.87	69.12
Full-time middle management	hour	16.10	60.10
Full-time senior management	hour	11.88	43.21
Other employees	hour	14.38	57.97
Occupational health and safety – direct employees			
Number of work-related fatalities in each of the past three years (including the Reporting Year)	person	0	0
Rate of work-related fatalities in each of the past three years (including the Reporting Year)	%	0.00	0.00
Lost days due to work injury	day	0	0

14 Calculation method = total training hours of employees in this category ÷ total number of employees in this category.
15 During the year, as the Group enhanced teacher training, the training hours increased compared to the previous year.

Environmental, Social and Governance Report

APPENDIX II: INDEX TO THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Indicators			Related Sections
A. Environmental Area			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7. Responding to Climate Change and Optimizing Resource Utilization
	A1.1	The types of emissions and respective emissions data.	7.4 Greenhouse Gas Emission Appendix I: Summary of Sustainable Development Data
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.4 Greenhouse Gas Emission Appendix I: Summary of Sustainable Development Data
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Summary of Sustainable Development Data
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.3 Improving Waste Management Appendix I: Summary of Sustainable Development Data
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	7. Responding to Climate Change and Optimizing Resource Utilization
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7.3 Improving Waste Management

Environmental, Social and Governance Report

Indicators			Related Sections
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2. Optimizing Resource Efficiency
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7.2. Optimizing Resource Efficiency Appendix I: Summary of Sustainable Development Data
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.2. Optimizing Resource Efficiency Appendix I: Summary of Sustainable Development Data
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7.2. Optimizing Resource Efficiency
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7.2. Optimizing Resource Efficiency
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business
A3: Environment and Natural Resources	General Disclosure	Policies on reducing the issuer's significant impact on the environment and natural resources.	7. Responding to Climate Change and Optimizing Resource Utilization
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Responding to Climate Change and Optimizing Resource Utilization
A4: Climate Change	General Disclosure	Policies on identification and managing of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.1 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.1 Responding to Climate Change

Environmental, Social and Governance Report

Indicators			Related Sections
B. Social Area			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.1 Standardise Employment System 6.2 Care for Employees
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6.1 Standardise Employment System Appendix I: Summary of Sustainable Development Data
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Summary of Sustainable Development Data
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.1 Reinforce Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.1 Reinforce Health and Safety Appendix I: Summary of Sustainable Development Data
	B2.2	Lost days due to work injury.	Appendix I: Summary of Sustainable Development Data
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.1 Reinforce Health and Safety

Environmental, Social and Governance Report

Indicators			Related Sections
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.3 Talent Development System Appendix I: Summary of Sustainable Development Data
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management and middle management).	6.3 Talent Development System Appendix I: Summary of Sustainable Development Data
	B3.2	The average training hours completed per employee by gender and employee category.	6.3 Talent Development System Appendix I: Summary of Sustainable Development Data
B4: Labour Standards	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.1 Standardise Employment System
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Standardise Employment System
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Standardise Employment System
B5: Supplier Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.4 Improving Supply Management
	B5.1	Number of suppliers by geographical region.	5.4 Improving Supply Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.4 Improving Supply Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.4 Improving Supply Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.4 Improving Supply Management

Environmental, Social and Governance Report

Indicators			Related Sections
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.1 Reinforce Health and Safety 4.2 Strictly Control the Teaching Quality 5.3 Protecting Data Security
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business
	B6.2	Number of products and service-related complaints received and how they are dealt with.	4.2 Strictly Control the Teaching Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.5 Protecting Intangible Asset
	B6.4	Description of quality assurance process and recall procedures.	4.2 Strictly Control the Teaching Quality Product recycling program is not applicable to the Group's business
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Protecting Data Security

Environmental, Social and Governance Report

Indicators			Related Sections
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of bribery, extortion, fraud and money laundering.	5.2 Vigorously Strengthening Integrity Management
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.2 Vigorously Strengthening Integrity Management
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.2 Vigorously Strengthening Integrity Management
	B7.3	Description of anti-corruption training provided to directors and employees.	5.2 Vigorously Strengthening Integrity Management
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8. Proactively Contributing to Society and Fulfilling Corporate Responsibilities
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Proactively Contributing to Society and Fulfilling Corporate Responsibilities
	B8.2	Resources (e.g. money or time) contributed to the focus areas.	8. Proactively Contributing to Society and Fulfilling Corporate Responsibilities

Independent Auditor's Report

中汇
ZHONGHUI

TO THE SHAREHOLDERS OF
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)

OPINION

We have audited the consolidated financial statements of China Chunlai Education Group Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 177 to 232, 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, consolidated statement of changes in equity and 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 of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Recognition of revenue from tuition fees

Refer to note 6 to the consolidated financial statements

Tuition fees from students, in accordance with the programme enrolled, are generally collected in advance at the beginning of the school year. Tuition fees received from students but not earned are initially recorded as contract liabilities, and subsequently recognised as revenue proportionately over the relevant period of the applicable programme. Given revenue from tuition fees is one of the key performance indicators of the Group, we identified it as a key audit matter.

Our audit procedures included, among others:

- Understanding the key controls over the recognition of tuition fees;
- Reconciling the number of students to the relevant official records registered with the education authorities;
- Checking the information about the receipts of tuition fees and student enrollments, on a sample basis, to supporting documents of payments, authorised fee levels, and official student records registered with the education authorities; and
- Performing analytical procedures to test the amount of tuition fees recognised during the year.

We consider that the Group's recognition of revenue from tuition fees is supported by the available evidence.

Independent Auditor's Report

Property, plant and equipment and right-of-use assets

Refer to notes 15 and 17 to the consolidated financial statements

The Group tested the amount of property, plant and equipment and right-of-use assets for impairment. This impairment test is significant to our audit because the balance of property, plant and equipment of approximately RMB3,226,462,000 and right-of-use assets of approximately RMB776,736,000 as at 31 August 2025 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the identification of the related cash generating units;
- Comparing the actual cash flows with the cash flow projections;
- Assessing the reasonableness of the key assumptions (including revenue growth, profit margins, terminal growth rates and discount rates);
- Obtaining and checking to evidence to support the Group's impairment assessment;
- Assessing the competence, independence and integrity of the external valuer engaged by the Group;
- Obtaining the external valuation report and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model;
- Checking arithmetical accuracy of the valuation model; and
- Checking key assumptions and input data in the valuation model to supporting evidence.

We consider that the Group's impairment test for property, plant and equipment and right-of-use assets are supported by the available evidence.

Independent Auditor's Report

Prepayment for cooperation agreements and advance to Tianping College

Refer to notes 18 and 20 to the consolidated financial statements

The Group tested the amounts of prepayment for cooperation agreement and advance to Tianping College for impairment. The impairment test is significant to our audit because the balance of prepayment for cooperation agreement and advance to Tianping College of approximately RMB800,111,000 and RMB936,100,000 respectively as at 31 August 2025 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the debtors and payee of the prepayment for cooperation agreements;
- Assessing the Group's relationship and transaction history with the debtors;
- Checking subsequent settlements from the debtors;
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements; and
- Assessing the status of the acquisitions of the colleges.

We consider that the Group's impairment test for prepayment for cooperation agreement and advance to Tianping College is supported by the available evidence.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information 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 will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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.

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at: https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Li Shun Fai
Audit Engagement Director
Practising Certificate Number P05498
Hong Kong, 28 November 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	**1,790,614**	1,631,496
Cost of revenue		**(819,902)**	(675,993)
Gross profit		**970,712**	955,503
Other income	7	**137,394**	128,788
Other gains and losses, net	8	**3,665**	(7,752)
Selling expenses		**(4,374)**	(3,929)
Administrative expenses		**(197,486)**	(189,977)
Profit from operations		**909,911**	882,633
Finance costs	9	**(62,969)**	(95,720)
Profit before tax		**846,942**	786,913
Income tax expenses	10	**(11,396)**	(8,742)
Total comprehensive income for the year	11	**835,546**	778,171
Earnings per share	13		
Basic (RMB cents per share)		**70**	65
Diluted (RMB cents per share)		**68**	63

Consolidated Statement of Financial Position

As At 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	**3,226,462**	3,161,911
Intangible asset	16	**188,000**	188,000
Right-of-use assets	17	**776,736**	760,590
Prepayment for cooperation agreements	18	**800,111**	800,111
Other non-current assets	19	**138,906**	337,776
		5,130,215	5,248,388
Current assets			
Trade and other receivables	20	**1,771,717**	1,214,535
Amount due from a shareholder	21	**7**	7
Cash and cash equivalents	22	**832,303**	790,900
		2,604,027	2,005,442
Current liabilities			
Accruals and other payables	23	**437,187**	395,688
Deferred revenue		**754**	1,541
Contract liabilities	24	**681,680**	693,444
Lease liabilities	25	**736**	–
Borrowings	26	**1,277,981**	1,728,005
Current tax liabilities		**42,041**	30,772
		2,440,379	2,849,450
Net current assets/(liabilities)		**163,648**	(844,008)
Total assets less current liabilities		**5,293,863**	4,404,380
Non-current liabilities			
Deferred revenue		**888**	292
Lease liabilities	25	**569**	–
Borrowings	26	**680,549**	520,185
		682,006	520,477
NET ASSETS		**4,611,857**	3,883,903

Consolidated Statement of Financial Position

As At 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	*27*	**10**	10
Reserves		**4,611,847**	3,883,893
TOTAL EQUITY		**4,611,857**	3,883,903

The consolidated financial statements on pages 177 to 232 were approved and authorised for issue by the Board of Directors on 28 November 2025 and are signed on its behalf by:

Mr. Hou Junyu
Director

Ms. Zhang Jie
Director

Consolidated Statement of Changes In Equity

For The Year Ended 31 August 2025

	Share capital *RMB'000*	Share premium account *RMB'000*	Statutory reserve *RMB'000* *(note i)*	Capital reserve *RMB'000*	Share-based payment reserve *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
At 1 September 2023	10	516,431	726,616	142,600	44,474	1,845,528	3,275,659
Total comprehensive income for the year	–	–	–	–	–	778,171	778,171
Dividends paid/payable	–	–	–	–	–	(172,825)	(172,825)
Recognition of equity-settled share-based payments	–	–	–	–	3,391	–	3,391
Transfer to statutory reserve	–	–	203,063	–	–	(203,063)	–
Forfeit of share options	–	–	–	–	(1,327)	834	(493)
At 31 August 2024	10	516,431	929,679	142,600	46,538	2,248,645	3,883,903
At 1 September 2024	**10**	**516,431**	**929,679**	**142,600**	**46,538**	**2,248,645**	**3,883,903**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**835,546**	**835,546**
Dividends paid/payable	**–**	**–**	**–**	**–**	**–**	**(110,880)**	**(110,880)**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**3,288**	**–**	**3,288**
Transfer to statutory reserve	**–**	**–**	**216,452**	**–**	**–**	**(216,452)**	**–**
At 31 August 2025	**10**	**516,431**	**1,146,131**	**142,600**	**49,826**	**2,756,859**	**4,611,857**

Note:

(i) Pursuant to the relevant laws and regulations in the People's Republic of China (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) general reserve fund of the limited liability companies and (ii) the development fund of schools.

For PRC subsidiaries with limited liability, they are required to make annual appropriations to general reserve of 10% of after-tax profits as determined under the PRC laws and regulations at each year end until the balance reaches 50% of the relevant PRC entity's registered capital.

According to the relevant PRC laws and regulations, for a private school that does not require reasonable return, it is required to appropriate to development fund of not less than 25% of the net income of the relevant school as determined in accordance with generally accepted accounting principles in the PRC. The development fund is prepared for the construction or maintenance of the school or procurement or upgrading of educational equipment.

Consolidated Statement of Cash Flows

For The Year Ended 31 August 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before tax		**846,942**	786,913
Adjustments for:			
Depreciation of property, plant and equipment		**260,085**	247,467
Depreciation of right-of-use assets		**18,800**	15,917
Equity-settled share-based payments		**3,288**	3,391
Finance costs		**62,969**	95,720
Gain on disposals of property, plant and equipment		**(1,706)**	(76)
Gain on forfeit of share options		**–**	(493)
Interest income		**(11,407)**	(8,491)
Interest income from Tianping College		**(41,042)**	(27,500)
Net foreign exchange (gain)/loss		**(1,959)**	8,321
Operating profit before working capital changes		**1,135,970**	1,121,169
Change in accruals and other payables		**38,352**	19,109
Change in contract liabilities		**(11,764)**	14,530
Change in deferred revenue		**(191)**	(1,998)
Change in trade and other receivables		**36,926**	(118,596)
Cash generated from operations		**1,199,293**	1,034,214
Income tax paid		**(127)**	–
Net cash generated from operating activities		**1,199,166**	1,034,214
Cash flows from investing activities			
Payment for deposits of/purchase of property, plant and equipment		**(413,599)**	(323,305)
Advance to Tianping College		**(243,400)**	(349,700)
Increase in restricted deposits		**(232,156)**	(115,000)
Advance to a third party		**(61,000)**	(35,000)
Payment for land use rights		**(33,458)**	(139,990)
Withdrawal of restricted deposits		**115,000**	–
Repayment from Tianping College		**30,000**	2,800
Withdrawal of pledged deposits		**12,940**	–
Proceeds from disposal of property, plant and equipment		**8,998**	4,002
Repayment from a third party		**5,000**	–
Interest income received		**4,707**	2,667
Net cash used in investing activities		**(806,968)**	(953,526)

Consolidated Statement of Cash Flows

For The Year Ended 31 August 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
Repayment of borrowings		**(2,024,430)**	(1,171,278)
Dividends paid		**(113,840)**	(170,751)
Interest paid		**(62,526)**	(100,325)
Repayment of lease liabilities		**(183)**	–
Lease interests paid		**(12)**	–
Proceeds from borrowings		**1,733,040**	1,247,846
Net cash used in financing activities		**(467,951)**	(194,508)
Net decrease in cash and cash equivalents		**(75,753)**	(113,820)
Cash and cash equivalents at beginning of year		**675,900**	789,720
Cash and cash equivalents at end of year		**600,147**	675,900
Analysis of cash and cash equivalents			
Bank and cash balances – General accounts	*22*	**600,147**	675,900

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands (2025 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 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. Its ultimate holding company is Chunlai Investment Co., Limited ("Chunlai Investment"), which was incorporated in the British Virgin Islands ("BVI"), 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 on 13 September 2018.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher education institutions. The Company, and its subsidiaries and its consolidated affiliated entities are collectively referred to as the "Group".

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

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for its accounting year 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 consolidated financial statements and amounts reported for the current year and prior years.

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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors of the Company to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4.

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 August. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group 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 currency and the Group's presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

(c) Translation on consolidation

The results and financial position of all the group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

(iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Land and buildings comprise mainly schools and offices. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	4.75%
Furniture and fixtures	9.5% – 19%
Motor vehicles	19% – 32%
Electronic equipment	9.5% – 19%

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rate is as follows:

Land use rights	50 years
Buildings	over the lease term of 1 year to 2 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US$5,000 (approximately equivalent to RMB35,000).

3. MATERIAL ACCOUNTING POLICIES (Continued)

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

– Financial assets at amortised cost

  Financial assets (including trade, loan and other receivables) are classified under this category if they satisfy both of the following conditions:

  – the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

  – the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities and equity instruments (Continued)

Other payables

Other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance;

– the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other income

Interest income is recognised on a time-proportion basis using the effective interest method.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

The Group also participates in a defined contribution retirement scheme organised by the government in the PRC. The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

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

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except 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.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except investments and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of cash-generating units ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATION

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

4. CRITICAL JUDGEMENTS AND KEY ESTIMATION (Continued)

Critical judgements in applying accounting policies (Continued)

(a) Contractual arrangements

The Group conducts a substantial portion of the business through Henan Shangqiu Chunlai Education Corporation ("Henan Chunlai") and its wholly sponsored schools, including Anyang University and Anyang University Yuanyang Campus ("Yuanyang Campus"), Shangqiu University and Shangqiu University Applied Science and Technology College ("Kaifeng Campus"), Hubei Jiankang Vocational College and Jingzhou College, collectively referred as the "Consolidated Affiliated Entities", in the PRC due to regulatory restrictions on foreign ownership in the Group's schools in the PRC. The Group does not have any equity interest in the Consolidated Affiliated Entities and Henan Chunlai Education Technology Co., Ltd. ("Chunlai Technology"). The management of the Group assessed whether or not the Group has control over the Consolidated Affiliated Entities and Chunlai Technology based on whether the Group has the power over the Consolidated Affiliated Entities and Chunlai Technology, rights to variable returns from its involvement with the Consolidated Affiliated Entities and Chunlai Technology and the ability to affect those returns through its power over the Consolidated Affiliated Entities and Chunlai Technology. After assessment, the management of the Group concluded that the Group has control over the Consolidated Affiliated Entities and Chunlai Technology as a result of the contractual arrangements and other measures and accordingly, the Group has consolidated the financial information of Consolidated Affiliated Entities and Chunlai Technology in its consolidated financial statements throughout the year.

Nevertheless, the contractual arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities and Chunlai Technology and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities and Chunlai Technology. The management of the Group, based on the advice of its legal counsel, considers that the contractual arrangements among Henan Chunlai Education Information Consultancy Co., Ltd. ("Chunlai Information"), the Consolidated Affiliated Entities and Chunlai Technology and their sponsor holders or equity holders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATION (Continued)

Critical judgements in applying accounting policies (Continued)

(b) Income taxes

Management judgement is required in interpreting the relevant tax rules and regulation so as to determine whether the Group is subject to EIT as disclosed in note 10. 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.

According to the Implementation Rules for EIT Law, qualified incomes received by non-profit making organisation which engaged in the provision of formal education services are exempted from EIT. According to the relevant provisions of Implementation Rules of the New Law for Promoting Private Education effective from 1 September 2017, private schools for which the school sponsors do not require reasonable returns/schools are elected as to be not-for-profit schools are eligible to enjoy the same preferential tax treatment as public schools. As a result, private schools, which are providing academic qualification education, are eligible to enjoy income tax exemption treatment if the school sponsors of such schools do not require reasonable returns/schools are elected to be not-for-profit schools. However, the detailed Implementation Rules of the New Law for Promoting Private Education have not yet been announced, the relevant guidelines from the provincial government where the schools of the Group are located required the private higher institutions to complete their registration before 2022. Given that Anyang University (including Yuanyang Campus), Shangqiu University (including Kaifeng Campus), Hubei Jiankang Vocational College and Jingzhou College have not yet elected to be for-profit or not-for-profit schools, according to the relevant in-charge tax bureau, the schools could follow previous EIT exemption treatment for the tuition related income.

Key sources of 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 discussed below.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

4. CRITICAL JUDGEMENTS AND KEY ESTIMATION (Continued)

Key sources of estimation uncertainty (Continued)

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for its 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. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(c) Impairment loss for prepayment for cooperation agreements and trade and other receivables

The Group makes impairment loss based on assessments of the recoverability of its prepayment for cooperation agreements and trade and other receivables, including the current creditworthiness, financial condition and past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment loss requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the prepayment for cooperation agreements and trade and other receivables and impairment loss in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

5. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, 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.

(a) Foreign currency risk

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 which are currencies other than the functional currency of the Group's entities. 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.

Sensitivity analysis

The following table details the group entities sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts their translation at the reporting date on a 5% change in foreign currency rates. A positive/negative number below indicates an increase/decrease in profit where RMB weakens/strengthen 5% against the relevant foreign currencies.

	2025	2024
	RMB'000	*RMB'000*
HK$	**1,608**	736
USD	**14,284**	14,453

(b) Interest rate risk

The Group's certain bank deposits and borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank deposits and borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

At 31 August 2025, if interest rates at that date had been 100 basis points lower with all other variables held constant, consolidated profit after tax for the year would have been RMB4,941,000 (2024: RMB1,745,000) higher, arising mainly as a result of lower interest expense on borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated profit after tax for the year would have been RMB2,966,000 (2024: RMB4,977,000) lower, arising mainly as a result of higher interest expense on borrowings.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

5. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(c) Credit risk

The carrying amount of the trade and other receivables, deposits and bank balances included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has no significant concentrations of credit risk.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 180 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 normally categorises a receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

5. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

All of these receivables are considered to have low risk and under the "Performing" category because they have a low risk of default and have strong ability to meet their obligations.

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

	On demand or less than 1 year *RMB'000*	1 – 2 years *RMB'000*	2 – 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
As at 31 August 2025					
Accruals and other payables	**412,531**	**–**	**–**	**412,531**	**412,531**
Borrowings	**1,319,689**	**691,126**	**–**	**2,010,815**	**1,958,530**
Lease liabilities	**768**	**576**	**–**	**1,344**	**1,305**
	1,732,988	**691,702**	**–**	**2,424,690**	**2,372,366**

	On demand or less than 1 year *RMB'000*	1 – 2 years *RMB'000*	2 – 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
As at 31 August 2024					
Accruals and other payables	375,573	–	–	375,573	375,573
Borrowings	1,737,782	488,344	67,392	2,293,518	2,248,190
	2,113,355	488,344	67,392	2,669,091	2,623,763

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

5. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

(e) Categories of financial instruments at 31 August

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	**2,647,273**	2,337,837
Financial liabilities		
Financial liabilities at amortised cost	**2,372,366**	2,623,763

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(g) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes borrowings and amounts due to related parties, and equity attributable to owners of the Company, which includes share capital and reserves.

The Group's management reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, issuance of new shares as well as raising of borrowings, if necessary.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

6. REVENUE AND SEGMENT INFORMATION

The Group is mainly engaged in the operation of private higher education institutions in the People's Republic of China ("PRC"). Revenue represents tuition and boarding fees from education institutions less sales related tax.

Information reported to the Group's chief operating decision maker ("CODM"), 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. The accounting policies of the reportable segment are the same as the Group's accounting policies described in note 3.

	2025	2024
	RMB'000	*RMB'000*
Tuition fees	**1,636,432**	1,486,406
Boarding fees	**154,182**	145,090
Total revenue	**1,790,614**	1,631,496

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 year ended 31 August 2025 (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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants *(note i)*	**10**	3,254
Interest income	**11,407**	8,491
Service income	**66,038**	60,920
Consultancy income from Tianping College *(note ii)*	**9,434**	14,151
Interest income from Tianping College *(note iii)*	**41,042**	27,500
Ancillary services income *(note iv)*	**5,817**	7,305
Others	**3,646**	7,167
	137,394	128,788

Notes:

(i) Government grants mainly represent unconditional subsidies from government for recognition of the relevant academic performance of the schools of the Group.

(ii) It represents the provision of technical and management consultancy services to Tianping College.

(iii) It represents the interest income of 4.75% per annum from the advance to Tianping College by the Group.

(iv) It mainly represents the teaching material fee income recognised the net of the refund of teaching material fee to students, and discounted amount paid to ancillary services providers as well as the original teaching material fee.

8. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Gain on disposals of property, plant and equipment	**1,706**	76
Gain on forfeit of share options *(note i)*	**–**	493
Net foreign exchange gain/(loss)	**1,959**	(8,321)
	3,665	(7,752)

Note:

(i) It represents the gain on forfeiture of unvested share options held by various staffs upon their resignation during the year ended 31 August 2024.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expenses in relation to:		
– Bank borrowings	**50,505**	51,993
– Borrowings from non-banking institutions	**14,149**	47,408
– Lease liabilities	**12**	–
	64,666	99,401
Less: capitalised in construction in progress	**(1,697)**	(3,681)
	62,969	95,720

Borrowing costs on funds borrowed generally are capitalised at a rate of 3.29% per annum in 2025 (2024: 5.4%).

10. INCOME TAX EXPENSES

	2025 RMB'000	2024 RMB'000
Current tax – PRC Enterprise Income Tax	**11,396**	8,742

Reconciliation between income tax expenses and accounting profit at applicable tax rate

	2025 RMB'000	2024 RMB'000
Profit before tax	**846,942**	786,913
Tax calculated at applicable tax rate of 25% (2024: 25%)	**211,736**	196,728
Tax effect of tax losses not recognised	**1,863**	1,828
Tax effect of expenses not deductible/income not taxable for tax purpose	**5,682**	6,692
Tax effect of utilisation of tax losses previously not recognised	**(5,674)**	(910)
Tax effect of profit from non-profit making organisation exempted for tax purpose	**(202,211)**	(195,596)
Income tax expenses	**11,396**	8,742

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

10. INCOME TAX EXPENSES (Continued)

The Company was incorporated in the Cayman Islands while Chunlai BVI was incorporated in the BVI, 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 year ended 31 August 2025 (2024: nil).

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 was 25% during the year ended 31 August 2025 (2024: 25%).

Shangqiu University, Anyang University, Kaifeng Campus, Yuanyang Campus, Hubei Jiankang Vocational College, and Jingzhou College enjoyed tax exemption for tuition related income during the year ended 31 August 2025 (2024: nil).

At the end of the reporting period the Group has unused tax losses of RMB178,764,000 (2024: RMB228,086,000) available for offset against future profits. No deferred tax asset has been recognised (2024: RMB nil) due to the unpredictability of future profit streams. Detail of unrecognised tax loss are as follow:

	2025	2024
	RMB'000	*RMB'000*
Tax loss unrecognised and expired in August 2025	**–**	56,776
Tax loss unrecognised and expired in August 2026	**75,315**	75,315
Tax loss unrecognised and expired in August 2027	**51,404**	51,404
Tax loss unrecognised and expired in August 2028	**37,279**	37,279
Tax loss unrecognised and expired in August 2029	**7,312**	7,312
Tax loss unrecognised and expired in August 2030	**7,454**	–
Total tax loss unrecognised	**178,764**	228,086

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is RMB4,508,647,000 (2024: RMB3,876,908,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

11. TOTAL COMPREHENSIVE INCOME FOR THE YEAR

This is stated at after charging the following:

	2025 *RMB'000*	2024 *RMB'000*
Auditor's remuneration	**1,831**	1,827
Depreciation of property, plant and equipment	**260,085**	247,467
Depreciation of right-of-use assets	**18,800**	15,917
Staff costs (including directors' remuneration):		
– Salaries, bonuses and allowances	**389,955**	308,772
– Retirement benefit scheme contributions	**70,032**	48,309
– Equity-settled share-based payments	**3,288**	3,391
	463,275	360,472

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND BENEFITS

	2025 RMB'000	2024 RMB'000
Fee, salaries and allowances	**9,184**	7,979
Bonus	**–**	–
Retirement benefit scheme contributions	**164**	103
Equity-settled share-based payments	**2,285**	2,280
	11,633	10,362

Details of the emoluments paid or payable by the entities comprising the Group to the directors and chief executives of the Company (including emoluments for services as employees/directors of the group entities prior to becoming the directors of the Company) for the year are as follows:

(a) The emoluments of each director are as follows:

	2025					
	Fees RMB'000	Salaries and allowances RMB'000	Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payments RMB'000	Total RMB'000
Non-executive director						
Mr. Hou Chunlai *(Chairman)*	–	3,635	–	–	831	4,466
Executive directors						
Mr. Hou	–	1,594	–	82	623	2,299
Ms. Jiang Shuqin	–	1,059	–	–	831	1,890
Ms. Zhang Jie	–	1,640	–	82	–	1,722
Independent non-executive directors						
Dr. Jin Xiaobin	424	–	–	–	–	424
Ms. Fok, Pui Ming Joanna	370	–	–	–	–	370
Mr. Lau, Tsz Man	462	–	–	–	–	462
Total	1,256	7,928	–	164	2,285	11,633

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND BENEFITS (Continued)

(a) The emoluments of each director are as follows: (Continued)

	2024					
	Fees *RMB'000*	Salaries and allowances *RMB'000*	Bonus *RMB'000*	Retirement benefit scheme contributions *RMB'000*	Equity-settled share-based payments *RMB'000*	Total *RMB'000*
Chairman and non-executive director						
Mr. Hou Chunlai *(Chairman)*	–	3,481	–	–	829	4,310
Executive directors						
Mr. Hou	–	1,018	–	37	622	1,677
Ms. Jiang Shuqin	–	822	–	–	829	1,651
Ms. Zhang Jie	–	1,459	–	66	–	1,525
Independent non-executive directors						
Dr. Jin Xiaobin	369	–	–	–	–	369
Ms. Fok, Pui Ming Joanna	369	–	–	–	–	369
Mr. Lau, Tsz Man	461	–	–	–	–	461
Total	1,199	6,780	–	103	2,280	10,362

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

12. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND BENEFITS (Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included four (2024: four) directors whose emoluments are set out in note (a) above. The emoluments of the remaining one (2024: one) individual are set out below:

	2025	2024
	RMB'000	*RMB'000*
Salaries and other benefits	**660**	660
Bonus	**10**	–
Retirement benefit scheme contributions	**230**	153
Equity-settled share-based payments	**208**	207
	1,108	1,020

The emoluments fell within the following bands:

	2025	2024
HK$1,000,000-HK$1,500,000	**1**	1

During the year ended 31 August 2025, no emoluments were paid by the Group to the directors of the Company or five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: nil). Neither the chief executive nor any of the directors of the Company waived any emoluments during the year ended 31 August 2025 (2024: nil).

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

13. EARNINGS PER SHARE

	2025	2024
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share (Profit attributable to owners of the Company) (in RMB'000)	**835,546**	778,171
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,200,000,000**	1,200,000,000
Effect of dilutive potential ordinary shares:		
Pre-IPO share options	**31,272,028**	31,884,765
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,231,272,028**	1,231,884,765

The computation of diluted earnings per share assumes the exercise of the Company's share options granted under the Pre-IPO Option Scheme as defined in note 28 as the potential ordinary shares are dilutive for the year ended 31 August 2025 and 2024.

14. DIVIDENDS

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

Notes:

(i) The directors of the Company did not recommend the payment of final dividend for the year ended 31 August 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 RMB1,346,000 (equivalent to approximately HK$1,443,000) was paid during the year ended 31 August 2025, and with approximately RMB1,000 (equivalent to approximately HK$1,000) remained payable during the year ended 31 August 2025.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

14. DIVIDENDS (Continued)

(iii) The final dividend in respect of the year ended 31 August 2023 of RMB0.053 per ordinary share (equivalent to approximately HK$0.058 per ordinary 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, and all remaining dividend was paid during the year ended 31 August 2025.

The final dividend in respect of the year ended 31 August 2024 of RMB0.0924 per ordinary share (equivalent to approximately HK$0.1 per ordinary 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 RMB111,733,000 (equivalent to approximately HK$119,999,000) was paid during the year ended 31 August 2025, with approximately RMB1,000 (equivalent to approximately HK$1,000) remained payable as at 31 August 2025.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Electronic equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
At 1 September 2023	2,911,034	251,350	21,151	550,604	371,426	4,105,565
Additions	24,708	34,456	4,287	115,386	246,804	425,641
Disposals	(2,400)	(799)	(615)	(1,669)	–	(5,483)
Transfer from construction in progress	427,327	–	–	–	(427,327)	–
At 31 August 2024 and 1 September 2024	3,360,669	285,007	24,823	664,321	190,903	4,525,723
Additions	11,986	34,676	3,476	65,844	215,946	331,928
Disposals	–	(84)	(2,131)	(8,481)	–	(10,696)
Transfer from construction in progress	163,165	–	–	6,091	(169,256)	–
At 31 August 2025	3,535,820	319,599	26,168	727,775	237,593	4,846,955
Accumulated depreciation						
At 1 September 2023	682,174	155,772	14,015	265,941	–	1,117,902
Charge for the year	157,402	32,633	1,411	56,021	–	247,467
Disposals	(188)	(612)	(569)	(188)	–	(1,557)
At 31 August 2024 and 1 September 2024	839,388	187,793	14,857	321,774	–	1,363,812
Charge for the year	166,840	32,387	1,546	59,312	–	260,085
Disposals	–	(64)	(1,707)	(1,633)	–	(3,404)
At 31 August 2025	1,006,228	220,116	14,696	379,453	–	1,620,493
Carrying amount						
At 31 August 2025	2,529,592	99,483	11,472	348,322	237,593	3,226,462
At 31 August 2024	2,521,281	97,214	9,966	342,547	190,903	3,161,911

As of 31 August 2025, the Group was in the process of obtaining the property certificates for certain buildings with an aggregate carrying value of RMB1,453,137,000 (2024: RMB1,398,507,000) which are located in the PRC.

At 31 August 2024, the carrying amount of property, plant and equipment pledged as security for the Group's other loans amounted to RMB407,890,000. During the year ended 31 August 2025, the pledge of property, plant and equipment were released as the secured loans were fully settled.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

16. INTANGIBLE ASSET

	School operation right *RMB'000*
Cost:	
As at 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	188,000

As at 31 August 2024 and 2025, intangible asset represent a school operation right of Jingzhou College. The school operation right is stated at cost and not amortised while its useful life is assessed to be indefinite.

The recoverable amount of the intangible asset of RMB188,000,000 has been determined on the basis of value in use using discounted cash flow method (level 3 fair value measurements). The discount rate used was 13% (2024: 12%). The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 2% (2024: 3%). This rate does not exceed the average long-term growth rate for the relevant markets.

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For The Year Ended 31 August 2025

17. LEASES AND RIGHT-OF-USE ASSETS

	2025 RMB'000	2024 RMB'000
At 31 August:		
Right-of-use assets		
– Land use rights	**775,436**	760,590
– Buildings	**1,300**	–
	776,736	760,590
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	**768**	–
– Between 1 and 2 years	**576**	–
	1,344	–
Depreciation charge of right-of-use assets		
– Land use rights	**18,612**	15,917
– Buildings	**188**	–
	18,800	15,917
Lease interests	**12**	–
Expenses related to short-term leases	**5,839**	5,103
Total cash outflow for leases	**6,034**	5,103
Additions to right-of-use assets	**34,944**	139,990

The Group leases various land use rights and buildings.

The land use rights are depreciated on a straight-line basis over a period of 50 years, which is based on the lease terms or estimated by the management with reference to the normal terms in the PRC.

As of 31 August 2025, the Group was in the process of obtaining the land certificates for the land use rights with an aggregate carrying value of approximately RMB81,027,000 (2024: RMB48,735,000) which are located in the PRC.

During the year ended 31 August 2025, lease agreements of the buildings were typically made for fixed periods of 1 to 2 years. Lease terms were negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements did not impose any covenants and the leased assets might not be used as security for borrowing purposes.

18. PREPAYMENT FOR COOPERATION AGREEMENTS

	2025 RMB'000	2024 RMB'000
Prepayment for cooperation agreements – Tianping College	**800,111**	800,111

Tianping College of Suzhou University of Science and Technology ("Tianping College") is an independent college and originally sponsored by Suzhou University of Science and Technology and the Suzhou University of Science and Technology Education Development Foundation (the "Foundation") in Jiangsu Province, PRC. In August 2019, the Group entered into an agreement which authorised the Group the right to transfer the sponsorship of Tianping College from Suzhou University of Science and Technology and the Foundation at a consideration of approximately RMB800,111,000 that has been fully paid during the year ended 31 August 2022. Up to the date of this report, the transfer of sponsorship has not yet been completed as the transfer is still in progress. Upon the completion of transfer, the payment for the agreement of approximately RMB800,111,000 (2024: approximately RMB800,111,000) will be treated as the consideration of the acquisition of Tianping College.

19. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments/deposits paid for acquisition of property, plant and equipment	**88,778**	2,732
Pledged deposit *(note i)*	**–**	285,044
Rental deposit	**128**	–
Deposit paid *(note ii)*	**50,000**	50,000
	138,906	337,776

Notes:

(i) As at 31 August 2024, pledged deposits of RMB1,440,000 are secured for borrowings of RMB207,163,000. During the year ended 31 August 2025, pledged deposits of RMB1,440,000 were released as secured borrowing of RMB207,163,000 was fully settled.

As at 31 August 2024, offshore foreign deposit of USD40,000,000 (equivalent to RMB283,604,000) is treated as a security to borrow an equivalent onshore loan denominated in RMB in the PRC from a third party with repayment date of July 2026. The offshore foreign deposit was reclassified as current asset accordingly as at 31 August 2025.

(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 the 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.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

20. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Tuition and boarding fee receivables *(note i)*	**143,527**	116,944
Service income receivables	**61,004**	133,684
Consultancy income receivables from Tianping College	**50,000**	40,000
Interest receivables from Tianping College	**99,087**	58,045
Advance to a third party *(note ii)*	**153,860**	97,860
Advance to Tianping College *(note iii)*	**936,100**	722,700
Other receivables	**17,549**	19,402
Interest receivables	**18,451**	11,751
Prepaid expenses	**6,882**	2,649
Pledged deposit *(note iv)*	**285,257**	11,500
	1,771,717	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:

	2025 RMB'000	2024 RMB'000
0-180 days	**87,221**	68,468
181-365 days	**13,366**	31,598
Over 1 year	**42,940**	16,878
	143,527	116,944

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all tuition and boarding fee receivables. To measure the expected credit losses, tuition and boarding fee receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	0-180 days	181-365 days	Over 1 year	Total
At 31 August 2025				
Weighted average expected loss rate	**0%**	**0%**	**0%**	**0%**
Receivable amount (RMB'000)	**87,221**	**13,366**	**42,940**	**143,527**
Loss allowance (RMB'000)	**–**	**–**	**–**	**–**
At 31 August 2024				
Weighted average expected loss rate	0%	0%	0%	0%
Receivable amount (RMB'000)	68,468	31,598	16,878	116,944
Loss allowance (RMB'000)	–	–	–	–

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

20. TRADE AND OTHER RECEIVABLES (Continued)

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

As at 31 August 2025, the advance with principal amount of RMB5,000,000 (2024: RMB5,000,000) is unsecured, interest bearing at 4.75% per annum (2024: 4.75% per annum) and repayable in February 2026 (2024: repayable in August 2025).

As at 31 August 2025, the advance with principal amount of RMB56,000,000 is unsecured, interest bearing at 3% per semi-annum and repayable in March 2026.

(iii) As at 31 August 2025, the advance to Tianping College with principal amount of RMB936,100,000 (2024: RMB722,700,000) was unsecured, interest bearing at 4.75% per annum (2024: 4.75% per annum) and repayable in August 2026 (2024: repayable in August 2025).

(iv) As at 31 August 2024, pledged deposits of RMB11,500,000 are secured for borrowings of RMB41,978,000. During the year ended 31 August 2025, pledged deposits of RMB11,500,000 were released as secured borrowing of RMB41,978,000 was fully settled.

Offshore foreign deposit of USD40,000,000 (equivalent to RMB285,257,000) is treated as a security to borrow an equivalent onshore loan denominated in RMB in the PRC from a third party. As at 31 August 2025, the repayment date of the onshore loan was July 2026. The offshore foreign deposit was classified as current asset accordingly as at 31 August 2025.

21. AMOUNT DUE FROM A SHAREHOLDER

The amount due from a shareholder of the Company is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

22. CASH AND CASH EQUIVALENTS

	2025	2024
	RMB'000	*RMB'000*
Bank and cash balances		
– General accounts	**600,147**	675,900
– Restricted deposits	**232,156**	115,000
	832,303	790,900

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

The Group's restricted bank deposits represented deposits for securing banking facilities granted to the Group as set out in notes 26 to the consolidated financial statements.

As at 31 August 2025, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to RMB808,887,000 (2024: RMB781,240,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

23. ACCRUALS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Interest payables	**4,368**	1,827
Accrued staff benefits and payroll	**58,558**	51,694
Payables for purchase of property, plant and equipment and construction	**200,899**	198,221
Receipt on behalf of ancillary services providers	**62,766**	60,381
Other payables, accruals and deposits received	**85,938**	61,376
Other taxes payables	**24,656**	20,115
Dividend payable	**2**	2,074
	437,187	395,688

24. CONTRACT LIABILITIES

	As at 31 August 2025 RMB'000	As at 31 August 2024 RMB'000	As at 1 September 2023 RMB'000
Contract liabilities – tuition and boarding fees	**681,680**	693,444	678,914

	2025 RMB'000	2024 RMB'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	**693,444**	678,914

Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:

	2025 RMB'000	2024 RMB'000
Within 1 year	**681,680**	693,444

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

24. CONTRACT LIABILITIES (Continued)

Significant changes in contract liabilities during the year:

	2025 RMB'000	2024 RMB'000
Increase due to operations in the year	**1,765,484**	1,614,428
Transfer of contract liabilities to revenue	**(1,777,248)**	(1,599,898)

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

25. LEASE LIABILITIES

	Lease payments 2025 RMB'000	Present value of lease payments 2025 RMB'000	Lease payments 2024 RMB'000	Present value of lease payments 2024 RMB'000
Within one year	**768**	**736**	–	–
In the second to fifth years, inclusive	**576**	**569**	–	–
	1,344	**1,305**	–	–
Less: Future finance charges	**(39)**		–	
Present value of lease obligations	**1,305**		–	
Less: Amount due for settlement within 12 months (shown under current liabilities)		**(736)**		–
Amount due for settlement after 12 months		**569**		–

At 31 August 2025, the average effective borrowing rate was 3.24%. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

26. BORROWINGS

	2025 *RMB'000*	2024 *RMB'000*
Secured and guaranteed *(note i)*	**1,243,060**	1,544,964
Secured and unguaranteed *(note ii)*	**317,010**	310,136
Unsecured and guaranteed *(note iii)*	**398,460**	393,090
	1,958,530	2,248,190
The borrowings are repayable as follows:		
On demand or within one year	**1,277,981**	1,728,005
In the second year	**680,549**	465,332
In the third to fifth years, inclusive	**–**	54,853
	1,958,530	2,248,190
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(1,277,981)**	(1,728,005)
Amount due for settlement after 12 months	**680,549**	520,185
The exposure of borrowings		
– Fixed rate	**1,423,730**	1,955,744
– Variable rate	**534,800**	292,446
	1,958,530	2,248,190

26. BORROWINGS (Continued)

Notes:

(i) Certain bank borrowings of RMB1,243,060,000 (2024: RMB1,091,216,000) were secured and/or guaranteed by the followings:

(a) secured by the rights to receive the tuition fees of Anyang University, Shangqiu University, Kaifeng Campus and Yuanyang Campus (collectively the "Schools"). The amount of the secured receivable as at 31 August 2025 and 31 August 2024 are RMB107,906,000 and RMB86,240,000 respectively;

(b) guaranteed by Mr. Hou, Ms. Song Mengmeng ("Ms. Song") and Ms. Jiang Shuqin ("Ms. Jiang") jointly and severally;

(c) guaranteed by the Company and several subsidiaries of the Company;

(d) secured by deposits of RMB12,940,000 as at 31 August 2024 and the pledged deposits were released as certain secured borrowing was fully settled during the year ended 31 August 2025; and

(e) secured by a pledged bank deposits amounted to RMB232,156,000 (2024: RMB115,000,000).

As at 31 August 2024, certain borrowing with carrying amount of RMB453,748,000 was secured by the Group's property, plant and equipment of RMB407,890,000 and guaranteed by Mr. Hou, Ms. Song and Ms. Jiang. During the year ended 31 August 2025, the pledge of property, plant and equipment were released as the secured borrowing were fully settled.

(ii) A loan from a third party with carrying amount of RMB317,010,000 (2024: RMB310,136,000) is secured by a deposit of USD40,000,000 (equivalent to approximately RMB285,257,000 (2024: RMB283,604,000)) (Notes 19 and 20).

(iii) Certain bank borrowings were unsecured and guaranteed by Mr. Hou, Ms. Song and Ms. Jiang jointly and severally and guaranteed by several subsidiaries of the Company.

All borrowings are denominated in RMB. The variable-rate borrowings carry interest with reference to the benchmark borrowing rate of the People's Bank of China.

The range of effective interest rates per annum (which are also equal to contracted interest rates) on the Group's borrowings is as follows:

	2025	2024
Effective interest rate:		
Fixed-rate	**2.40% – 9.43%**	2.50% – 9.43%
Variable-rate	**2.50% – 5.35%**	3.45% – 5.35%

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27. 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 and 31 August 2025	50,000,000,000	500,000	424,570	425
Issued and fully paid:				
As at 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	1,200,000,000	12,000	9,867	10

28. SHARE-BASED PAYMENTS

Pursuant to written resolution passed on 9 August 2018, the Company adopted a share option scheme ("Pre-IPO Share Option Scheme"), details of which are set out in "Report of the Directors – Pre-IPO Share Option Scheme" to the annual report.

Details of specific categories of Pre-IPO Share Options as at 31 August 2025 are as follows:

Tranche	Date of grant	Number of shares	Vesting period	Exercise period	Exercise price *HK$*
A	**9 August 2018**	**9,585,000**	**9 August 2018 – 9 August 2021**	**10 August 2021 – 9 August 2038**	**0.00001**
B	**9 August 2018**	**6,600,000**	**9 August 2018 – 9 August 2023**	**10 August 2023 – 9 August 2038**	**0.00001**
C	**9 August 2018**	**6,510,000**	**9 August 2018 – 9 August 2025**	**10 August 2025 – 9 August 2038**	**0.00001**
D	**9 August 2018**	**9,855,000**	**9 August 2018 – 9 August 2028**	**10 August 2028 – 9 August 2038**	**0.00001**

Details of specific categories of Pre-IPO Share Options as at 31 August 2024 are as follows:

Tranche	Date of grant	Number of shares	Vesting period	Exercise period	Exercise price *HK$*
A	9 August 2018	9,585,000	9 August 2018 – 9 August 2021	10 August 2021 – 9 August 2038	0.00001
B	9 August 2018	6,600,000	9 August 2018 – 9 August 2023	10 August 2023 – 9 August 2038	0.00001
C	9 August 2018	6,510,000	9 August 2018 – 9 August 2025	10 August 2025 – 9 August 2038	0.00001
D	9 August 2018	9,855,000	9 August 2018 – 9 August 2028	10 August 2028 – 9 August 2038	0.00001

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28. SHARE-BASED PAYMENTS (Continued)

The following table discloses movements of number of share options under the Company's Pre-IPO Share Option Scheme held by the directors of the Company and employees during the year:

	2025		2024	
	Number of share options	**Weighted average exercise price *HK$***	Number of share options	Weighted average exercise price *HK$*
Outstanding at the beginning of the year	**32,550,000**	**0.00001**	33,550,000	0.00001
Forfeited during the year	**–**	**0.00001**	(1,000,000)	0.00001
Outstanding at the end of the year	**32,550,000**	**0.00001**	32,550,000	0.00001
Exercisable at the end of the year	**22,695,000**	**0.00001**	16,185,000	0.00001

The options outstanding at the end of the year have a weighted average remaining contractual life of 13 years (2024: 14 years) and the exercise prices were HK$0.00001 (2024: HK$0.00001). The share options were granted on 9 August 2018. The estimated fair value of each option on that date is RMB1.66.

The Group recognised share-based compensation expense of approximately RMB3,288,000 for the year ended 31 August 2025 (2024: RMB3,391,000).

29. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 August 2025 and 2024.

30. COMMITMENTS

	2025 *RMB'000*	2024 *RMB'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**89,060**	42,231
Capital expenditure in respect of land use right	**–**	7,022
Capital expenditure in respect of capital contribution to Tianping College	**30,000**	30,000
	119,060	79,253

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

31. RETIREMENT BENEFIT SCHEME

During the year, the employees of the PRC subsidiaries are members of the state-management retirement benefit scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contribution under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefit scheme during the year are disclosed in note 11.

32. RELATED PARTY TRANSACTIONS

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

	2025 *RMB'000*	2024 *RMB'000*
Consultancy income from Tianping College *(note i)*	**9,434**	14,151
Interest income from Tianping College *(note i)*	**41,042**	27,500
The balances with related parties at the end of the reporting period are as follows:		
Consultancy income receivables from Tianping College *(note i)*	**50,000**	40,000
Interest receivables from Tianping College *(note i)*	**99,087**	58,045
Advance to Tianping College *(note i)*	**936,100**	722,700

Note:

(i) Mr. Hou is the director and ultimate controlling shareholder of the Company and director of Tianping College.

(b) Compensation of key management personnel

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and all the highest paid employees, is disclosed in note 12.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease payables *RMB'000*	Interest payables *RMB'000*	Borrowings *RMB'000*	Total liabilities from financing activities *RMB'000*
At 1 September 2023	–	2,751	2,171,622	2,174,373
Changes in cash flows	–	(100,325)	76,568	(223,757)
Non-cash changes – interest charged	–	99,401	–	99,401
At 31 August 2024 and 1 September 2024	–	1,827	2,248,190	2,050,017
Changes in cash flows	(195)	(62,526)	(291,390)	(354,111)
Non-cash changes				
– additions of lease	1,486	–	–	1,486
– interest charged	12	64,654	–	64,666
– exchange differences	2	413	1,730	2,145
At 31 August 2025	1,305	4,368	1,958,530	1,764,203

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investment in a subsidiary *(note)*	–	–
Property, plant and equipment	**1,384**	1,388
Other non-current assets	–	283,604
	1,384	284,992
Current assets		
Prepayments and other receivables	**297,896**	12,705
Amount due from a shareholder	**7**	7
Amount due from subsidiaries	**23,348**	32,412
Bank balances	**23,581**	10,124
	344,832	55,248
Current liabilities		
Amounts due to subsidiaries	**32,111**	12,656
Accrued expenses	**3,612**	4,342
Borrowings	**225,460**	109,113
	261,183	126,111
Net current assets/(liabilities)	**83,649**	(70,863)
NET ASSETS	**85,033**	214,129
Capital and reserves		
Share capital	**10**	10
Reserves	**85,023**	214,119
TOTAL EQUITY	**85,033**	214,129

Note: The investment in a subsidiary is USD1.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

(b) Reserves of the Company

	Share premium *RMB'000*	Share-based payment reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 September 2023	516,431	44,474	(151,196)	409,709
Total comprehensive expenses for the year	–	–	(25,663)	(25,663)
Dividends paid/payable	–	–	(172,825)	(172,825)
Recognition of equity-settled share-based payments	–	3,391	–	3,391
Forfeit of share options	–	(1,327)	834	(493)
At 31 August 2024	516,431	46,538	(348,850)	214,119
At 1 September 2024	**516,431**	**46,538**	**(348,850)**	**214,119**
Total comprehensive expenses for the year	**–**	**–**	**(21,504)**	**(21,504)**
Dividends paid/payable	**–**	**–**	**(110,880)**	**(110,880)**
Recognition of equity-settled share-based payments	**–**	**3,288**	**–**	**3,288**
At 31 August 2025	**516,431**	**49,826**	**(481,234)**	**85,023**

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Name of the subsidiary	Date and place of incorporation/ establishment	Paid up capital	Equity interest attributable to the Company at 31 August 2025	2024	Principal activity
Directly owned:					
Chunlai BVI	28 November 2017 BVI	US$1	100%	100%	Investment holding
Indirectly owned:					
Chunlai Hong Kong	19 December 2017 Hong Kong	HK$1	100%	100%	Investment holding
Henan Chunlai *(note i)*	11 April 2002 The PRC	RMB113,740,000	100%	100%	Investment holding
Chunlai Information *(note ii)*	19 January 2018 The PRC	USD1,000,000	100%	100%	Rendering of education services
Chunlai Technology *(note i)*	1 August 2017 The PRC	RMB30,000,000	100%	100%	Investment holding
Shangqiu University *(note i)*	21 June 2004 The PRC	RMB80,322,962	100%	100%	Rendering of education services
Anyang University *(note i)*	27 November 2008 The PRC	RMB80,000,000	100%	100%	Rendering of education services
Kaifeng Campus *(note i)*	16 May 2013 The PRC	RMB89,005,478	100%	100%	Rendering of education services
湖北春來教育科技有限公司 *(note i)*	11 July 2018 The PRC	RMB200,000,000	100%	100%	Investment holding

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

35. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (Continued)

Name of the subsidiary	Date and place of incorporation/ establishment	Paid up capital	Equity interest attributable to the Company at 31 August 2025	2024	Principal activity
上海春景投資管理有限責任公司 *(note i)*	31 July 2015 The PRC	RMB200,000,000	100%	100%	Investment holding
湖北健康職業學院 *(note i)*	8 April 2020 The PRC	RMB30,000,000	100%	100%	Rendering of education services
蘇州春來教育科技有限公司 *(note i)*	12 December 2020 The PRC	RMB50,000,000	100%	100%	Investment holding
Jingzhou College *(note ii)*	31 May 2021 The PRC	RMB10,000,000	100%	100%	Rendering of education services

Notes:

(i) These entities are owned through Structured Contracts.

(ii) The entity is a wholly foreign-owned enterprise incorporated in the PRC.

The Company's financial year end date is 31 August, which is consistent with the school year. The subsidiaries in the PRC adopt 31 December as their financial year end date, while the other non-PRC subsidiaries adopt 31 August as their financial year end date.

36. EVENTS AFTER THE REPORTING PERIOD

Tianping College

In September 2025, the Company has commenced operations of Tianping College in the new campus located in Nanjing, Jiangsu Province, the PRC for the 2025/2026 school year. The Company will apply for a change of school sponsor with the Ministry of Education, upon completion of which Tianping College will be transformed into a standalone private ordinary college and Tianping College will become a consolidated affiliated entity of the Company. For further details, please refer to the announcement of the Company dated 21 July 2025.

Notes to the Consolidated Financial Statements

For The Year Ended 31 August 2025

36. EVENTS AFTER THE REPORTING PERIOD (Continued)

Donation of Access to AI and Blockchain Technology

In October 2025, Mr. Hou Chunlai (the chairman of the Board, non-executive Director and founder of the Group), who owns a data center (the "Data Center") in Washington, the United States, has agreed to provide to the Group, by way of donation, free-of-charge access to the AI and blockchain technology developed by the Data Center from time to time. The donation is for an initial term of five years and the Group is not subject to any conditions or obligations in return for the donation. The complimentary access via donation will enable the Group's schools to utilize cutting-edge advancements in AI and blockchain technology. For further details, please refer to the announcement of the Company dated 8 October 2025. As the Data Center is still in its ramp up stage, the Group will provide further updates as and when appropriate.

37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 November 2025.

Definitions

"2026 AGM"	the annual general meeting of the Company to be held on Friday, 5 February 2026 (or any adjournment thereof)
"affiliate"	means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) an associated company of the holding company of the Company; or (i) an associated company of the Company; or (j) associated company of controlling shareholder of the Company
"Anyang University Yuanyang Campus"	Anyang University Yuanyang Campus (安陽學院原陽校區), a branch college (下屬學院) of Anyang University located in Yuanyang, Henan Province, the PRC that obtained approval from the Education Department of Henan Province (河南省教育廳) for its establishment on April 2021
"Anyang University"	Anyang University (安陽學院), a Private HEI (formerly an independent college known as College of Humanities and Management of Anyang Normal University) (安陽師範學院人文管理學院) that obtained approval from MOE for its establishment on 25 April 2003 (excluding the Wenming Avenue (文明大道) campus of the College of Humanities and Management of Anyang Normal University, which was managed by Anyang Normal University) and one of our PRC Operating Schools. Operating and financial data stated to be of Anyang University presented in this annual report do not include contributions by Anyang University Yuanyang Campus, unless otherwise specified
"Articles of Association"	the memorandum and articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auditor"	ZHONGHUI ANDA CPA Limited
"Board" or "Board of Directors"	the board of directors of the Company
"BVI"	the British Virgin Islands
"Chairman Hou"	Mr. Hou Chunlai (侯春來), a PRC citizen, a non-executive Director and the Chairman of the Board, and the spouse of Ms. Jiang and father of Mr. Hou
"China" or "PRC"	the People's Republic of China and, except where the context requires otherwise and only for the purposes of this annual report, references to China or the PRC exclude Hong Kong, Macau and Taiwan; the term "Chinese" has a similar meaning

Definitions

"Chunlai Investment"	Chunlai Investment Co., Ltd (春來投資有限公司), a company incorporated in the BVI with limited liability on 13 July 2017 and one of the Controlling Shareholders
"Company", "the Company" or "our "Company"	China Chunlai Education Group Co., Ltd (中國春來教育集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 15 November 2017
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"consolidated affiliated entities" or "consolidated affiliated entity"	the entities we control through the Contractual Arrangements, being the PRC Holdco, the School Sponsor and the PRC Operating Schools
"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, WFOE, Mr. Hou, Chairman Hou, Ms. Jiang and the Group's consolidated affiliated entities, details of which are described in the section headed "Contractual Arrangements" in the Prospectus
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Hou and Chunlai Investment
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company from time to time
"ESG Committee"	the environmental, social and governance committee of the Board
"Group", "our Group", "the Group", "we", "us" or "our"	the Company, its subsidiaries and the consolidated affiliated entities from time to time or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"Henan Implementation Opinions"	the Implementation Opinions of Henan Government on Encouraging the Operation of Education by Social Forces and Promoting the Healthy Development of Private Education (《河南省人民政府關於鼓勵社會力量興辦教育進一步促進民辦教育健康發展的實施意見》) promulgated by the Henan Municipal Government on 2 February 2018
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

Definitions

"Hubei Chunlai Education"	Hubei Chunlai Education Technology Corporation (湖北春來教育科技有限公司), one of our consolidated affiliated entities and the sole school sponsor of Jiankang College and Jingzhou College
"Hubei College"	College of Engineering and Technology of Yangtze University (長江大學工程技術學院), an independent college of Yangtze University (長江大學) located in Hubei Province, the PRC that obtained approval from MOE for its establishment on 18 March 2004
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Jiankang College"	Hubei Jiankang Vocational College (湖北健康職業學院), a private higher education vocational school (民辦高等職業學校) in the PRC and one of our PRC Operating Schools. The school sponsor of Jiankang College is Hubei Chunlai Education
"Jingzhou College"	known as Hubei College prior to the conversion of Hubei College into a private ordinary college (民辦普通高等學校) and change of school sponsor, details of which are set out in the announcement of the Company dated 29 October 2021, one of our PRC Operating Schools. The school sponsor of Jingzhou College is Hubei Chunlai Education
"Latest Practicable Date"	17 December 2025, being the latest practicable date to ascertain certain information set out in this annual report prior to its bulk printing
"Listing Date"	13 September 2018, the date the Shares were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on 13 September 2018
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Ministry of Education" or "MOE"	the Ministry of Education of the PRC (中華人民共和國教育部)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

Definitions

"Mr. Hou"	Mr. Hou Junyu (侯俊宇), a PRC citizen, an executive Director and our controlling shareholder, and son of Chairman Hou and Ms. Jiang
"Ms. Jiang"	Ms. Jiang Shuqin (蔣淑琴), a PRC citizen and an executive Director, and spouse of Chairman Hou and mother of Mr. Hou
"Nomination Committee"	the nomination committee of the Board
"PRC Holdco"	Henan Chunlai Education Technology Co., Ltd. (河南春來教育科技有限公司), a limited liability company established in the PRC on 1 August 2017 and one of our consolidated affiliated entities
"PRC Legal Adviser"	Tian Yuan Law Firm, our legal adviser as to PRC laws and regulations
"PRC Operating Schools"	Shangqiu University (including Shangqiu University Kaifeng Campus), Anyang University, Jiankang College and Jingzhou College, consolidated affiliated entities of the Company
"Pre-IPO Share Option Scheme"	the share option scheme effective from 9 August 2018, the principal terms of which are set out in the section headed "Statutory and General Information – D. Pre-IPO Share Option Scheme and Share Award Scheme – 1. Pre-IPO Share Option Scheme" in Appendix V to the Prospectus
"Prospectus"	the prospectus of the Company published on 31 August 2018
"Remuneration Committee"	remuneration committee of the Board
"Reporting Period"	the year ended 31 August 2025
"RMB"	Renminbi, the lawful currency of PRC
"School Sponsor"	Henan Shangqiu Chunlai Education Corporation (河南商丘春來教育集團), a private non-enterprise entity (民辦非企業單位) established in the PRC on 18 October 2004, a consolidated affiliated entity of the Company and the sole school sponsor of each of Shangqiu University (including Shangqiu University Kaifeng Campus) and Anyang University
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shangqiu University Kaifeng Campus"	Shangqiu University Applied Science and Technology College (商丘學院應用科技學院), a branch college (下屬學院) of Shangqiu University located in Kaifeng, Henan Province, the PRC that obtained approval from the Education Department of Henan Province (河南省教育廳) for its establishment on 16 May 2013

Definitions

"Shangqiu University"	Shangqiu University (商丘學院), a Private HEI (formerly an independent college known as Huayu College of Henan Agricultural University (河南農業大學華豫學院) that obtained approval from MOE for its establishment on 14 July 2005) and one of our PRC Operating Schools; operating and financial data stated to be of Shangqiu University presented in this document do not include contributions by Shangqiu University Kaifeng Campus, unless otherwise specified
"Share Award Scheme"	the share award scheme approved and adopted by the sole shareholder of the Company on 24 August 2018, the principal terms of which are set out in the section headed "Statutory and General Information – D. Pre-IPO Share Option Scheme and Share Award Scheme – 2. Share Award Scheme" in Appendix V to the Prospectus
"Share(s)"	ordinary share(s) in the Company of par value of HK$0.00001 each
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Tianping College"	Tianping College of Suzhou University of Science and Technology (蘇州科技大學天平學院), an independent college of Suzhou University of Science and Technology
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"WFOE"	Henan Chunlai Education Information Consultancy Co., Ltd. (河南春來教育信息諮詢有限公司), a company established in the PRC with limited liability on 19 January 2018 and a wholly-owned subsidiary of our Company
"%"	percent

Glossary

"college"	a higher educational institution offering bachelor's degree programmes and junior college diploma programmes, which may be a branch college (下屬學院) and may not be a separate legal entity
"formal education"	education system that provides students with the opportunity to earn official certificates from the PRC government
"high school"	a school that provide education for students in grade 10 through grade 12
"higher education"	an optional final stage of formal learning that occurs after secondary education, which is often delivered at universities, academies, colleges and institutes of technologies
"independent college"	a bachelor-degree level higher education institution established by a public university that provides formal education in bachelor-degree level or above in association with individuals or social organisations other than governmental institutions using non-state funds
"private HEI" or "private higher education institution"	a PRC private higher education institution (民辦高等教育機構) not affiliated with any public universities that is operated by non-governmental entity(ies) or individual(s) where government funding is not a major source of capital and has open admission and enrolment to the public
"private school"	a school that is not run by local, provincial or national governments
"public school"	a school that is run by local, provincial or national governments
"school sponsor"	an individual or entity that funds or holds interests in an educational institution
"vocational education programme"	a three-year vocational education programme that generally enrols middle school graduates or a one-year vocational education programme that generally enrols high school graduates, and upon the completion of which a vocational high school diploma will be granted